





OVERSEAS NEWS

S Africa unions call for day of action against detentions

BY ANTHONY ROBINSON IN JOHANNESBURG
DESPITE THE warnings by police of the ban on public union meetings in the capital, Johannesburg...

Alain Cass, Asia Editor, reports on Vietnam's prospects after the death of Le Duan
Hanoi's old men consider economic reform

THE DEATH of Le Duan yesterday, the man who led Vietnam for the past 17 years and who masterminded the victory against the Americans...

approved the Soviet-backed invasion of Kampuchea in 1979 and the stationing of 40,000 Vietnamese troops in Laos to complete Hanoi's mastery of Indochina.



Le Duan: unyielding

main aims are likely to be pursuing economic reform, negotiating an agreement over Kampuchea to end Vietnam's isolation and decreasing the country's growing dependence on the Soviet Union...

production is close to self-sufficiency and there is a greater availability of consumer goods. But the reforms have also brought raging inflation and greater inequalities leading to fierce ideological debates.

Hawke wins party vote on wage restraint

By Emilia Tagaza in Canberra
MR BOB HAWKE, the Australian Prime Minister, yesterday won support for his call for further wage restraint...

Open politics to blacks, urges business leader

BY BERNARD SIMON IN JOHANNESBURG
THE South African Government should abandon its piecemeal approach to political reform and create openings for blacks to take part directly in the political process...



Mr Lange: "If we took a poll of dairy farmers on the spy agreement, I know what the result would be."

Lange says trade more vital than spies' fate

BY DAI HAYWARD IN WELLINGTON
MR DAVID LANGE, the New Zealand Prime Minister, yesterday defended his Government's decision to hand over to the French authorities the two agents jailed for their part in the sinking of the Greenpeace boat Rainbow Warrior...

two agents, Maj Alain Mafart and Capt Dominique Prieur, are to be transferred to the Pacific island of Hao, which serves as a staging post for the French nuclear testing ground at Mururoa...

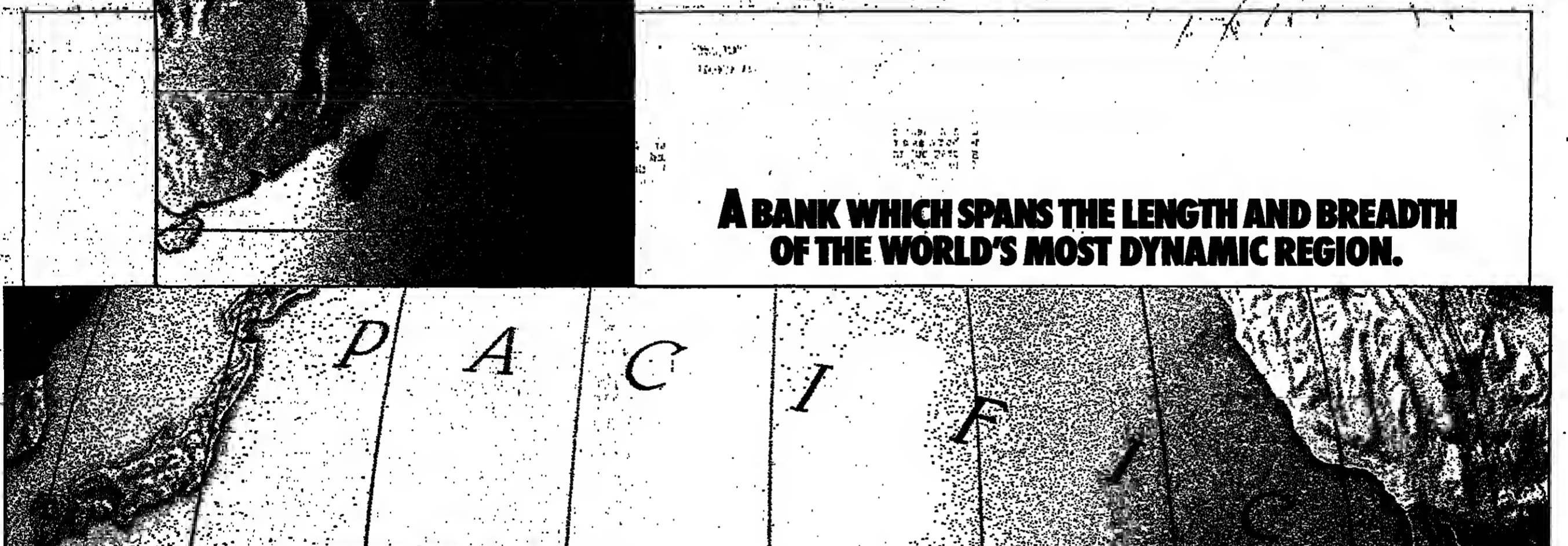
Mr Lange said he was confident that interest rates and inflation would continue to fall. The drop in the inflation rate from 17.5 per cent to around 10 per cent in just over a year was evidence that his Government's economic policies were working.

The Government would not intervene to manipulate exchange rates despite experts being hit by the strength of the New Zealand dollar and heavy pressure from farmers and manufacturers.

Israeli nurses' strike beaten

By Andrew Whitley in Jerusalem
A bitter, 17-day strike by Israeli nurses ended yesterday in a crushing victory for the coalition National Unity Government...

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AMERICAN NEWS

US print union may merge with telecom workers

BY WILLIAM HALL IN NEW YORK

THE INTERNATIONAL Typographical Union (ITU), the oldest union in the US and one of the most powerful, has tentatively agreed to merge with the Communications Workers of America (CWA), which represents 650,000 workers in the telecommunications industry.

Differentials in growth 'threaten to split' US

ECONOMIC GROWTH patterns in the past five years threaten to split the US into coastal dwellers and a disadvantaged hinterland, according to a new Congressional study, AP reports from Washington.

Growth over the nation as a whole has been sluggish in recent years, but these living in California and in the East have noticed, according to the analysis by the Joint Economic Committee, which was released yesterday.

Canute James on why foreign currency dealers have replaced the Central Bank Traders provide a cash lifeline in Guyana

AMERICA STREET, downtown Georgetown, and not the nearby central bank, is the financial centre of this economically embattled country. Here a thriving parallel market in hard currency determines how Guyana meets its basic needs from week to week.



According to Mr Harold Davies, chairman of the state-owned Guyana Sugar Corporation, the industry recorded a deficit the equivalent of \$16.1m last year and \$24.2m in 1984.

Street traders offer between 15 and 20 Guyanese dollars for a US dollar. Understandably, the traders pocket a bulging while the coffers of the central bank, which operates at the official rate of 4.30 to the dollar, are empty.

about 80 per cent to match the parallel rate. That would be political suicide," he said. The Government is struggling to meet its priorities such as importing oil and servicing the foreign debt with the limited hard currency which finds its way into the central bank from sugar, bauxite, rice and gold.

The deficit of the bauxite industry, also state-owned, was \$30m in 1984, and the same last year, according to Mr Bernard Crawford, executive chairman of the Bauxite Industry Development Company.

Uruguay signs \$1.7bn debt rescheduling deal

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

URUGUAY yesterday signed a \$1.7bn (£1.1bn) mid-year debt rescheduling agreement which will allow repayment of debt falling due up to the end of 1989 to be deferred.

Belco claims \$200m for loss of Peru assets

BY DOREEN GILLESPIE IN LIMA

BELCO PETROLEUM of New York, a wholly-owned subsidiary of Exxon of Houston, Texas (formerly HNG-InterNorth) has filed claims for \$200m (£131m) on a political risk policy with American International underwriters of New York in compensation for expropriation of its Peruvian oilfield assets at the end of last year.

US to withhold Zimbabwe aid

BY REGINALD DALE, US EDITOR IN WASHINGTON

THE US will withhold \$13.5m (£8.8m) in aid to Zimbabwe pending completion of a review of the country's aid programme ordered earlier this week, the State Department said yesterday.

Lockheed forges UK link in bid to win order

By Michael Domes

Aerospace Correspondent Lockheed Corporation of the US has appointed Marshall of Cambridge, the UK aerospace engineering company, to be its bid to get the P-3 Orion Airborne Early Warning aircraft accepted by the Ministry of Defence in place of the Nimrod.

China 'must change disordered policy on technology imports'

BY ROBERT THOMSON IN BEIJING

CHINA has imported more than 100 colour television assembly lines - capable of producing many more sets than the Chinese could possibly watch, according to a wide-ranging study of the country's technology import strategy. The report recommends major changes to present "disordered" policies.

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EUROPEAN TRADED OPTIONS Tuesday-Wednesday-Thursday-Friday Only in the Financial Times

Anglo-French tie proposed for anti-missile system

BY DAVID MARSH IN PARIS

FRANCE HAS suggested collaboration by Britain in a proposed anti-missile defence system at present being studied by Aerospatiale and Thomson, two state-owned French defence groups. The system would be deployed in the mid-1990s.

Growth halts in chemical West German industry

BY DAVID BROWN IN FRANKFURT

THE GROWTH of West Germany's chemical industry halted in the first half of 1986 after the previous year's high levels, but the sector is confident about the remainder of the year as well as the "medium term future," said Mr Hans Albers, President of the Chemical Industry Association.

Hearings finish on Hong Kong air routes

HEARINGS on an application by Hong Kong Dragon Airlines to operate scheduled passenger flights from Hong Kong to Amsterdam and Manchester ended in the colony yesterday.

India studies export incentives

INDIA is considering incentives for manufacturers in an effort to boost the country's flagging exports, writes K. K. Sharma in New Delhi.

France believes its present studies on an anti-aircraft and anti-missile defence project dubbed Astor, could pave the way for a system to protect military installations in Western Europe from attack by increasingly accurate Soviet ballistic missiles.

France has also made clear to Britain in recent contacts its willingness to become associated with any UK bid to buy AWACs early warning aircraft from Boeing of the US.

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A cabinet committee headed by Mr Rajiv Gandhi, the Prime Minister, met this week, and it is understood to have agreed that exports should be made "profitable" so that manufacturers, who have been used to selling to a highly protected internal market, are encouraged to look outside the country.

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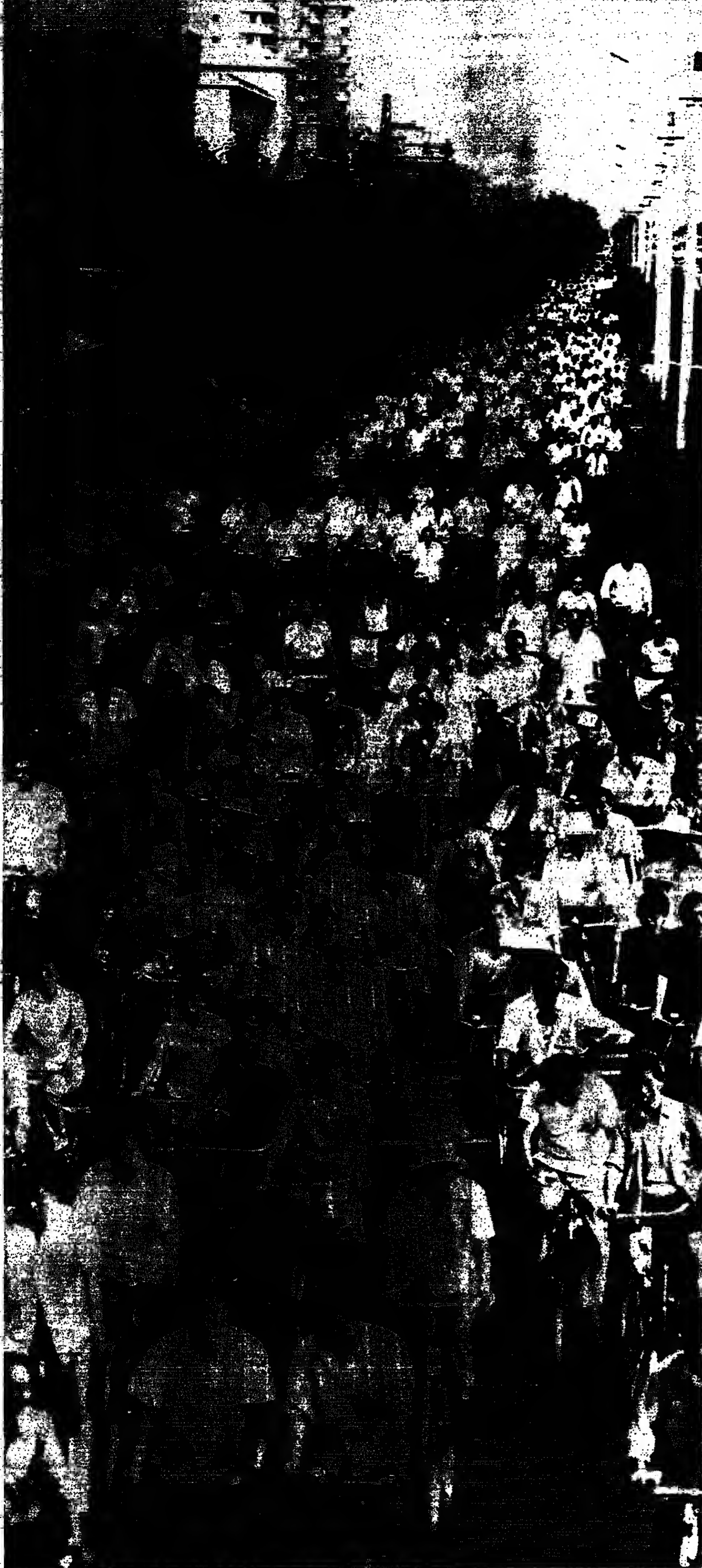
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# We've finally found an answer to this ancient Chinese puzzle.

In the Chinese capital of Beijing (Peking) the bicycle is still the most popular form of transport.

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Because at 7.15 every morning, a few million cyclists on their way to work converge on the city centre and create one almighty traffic jam.

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MANAGEMENT

"WE HAVE completely spoiled our relationship with the world outside the plant. We go round the ministries and departments and we argue, demand and swear at them," said the manager of the Soviet Union's biggest car plant at Togliatti.

The cause of this conflict is that the Togliatti Enterprise, called Vaz in the Soviet Union, is at the centre of an experiment in managerial and financial autonomy which Mikhail Gorbachev, the Soviet leader, wants to spread to the rest of Soviet industry as quickly as possible. He said last month that 200 of the country's biggest enterprises will join the same scheme at the start of 1987.

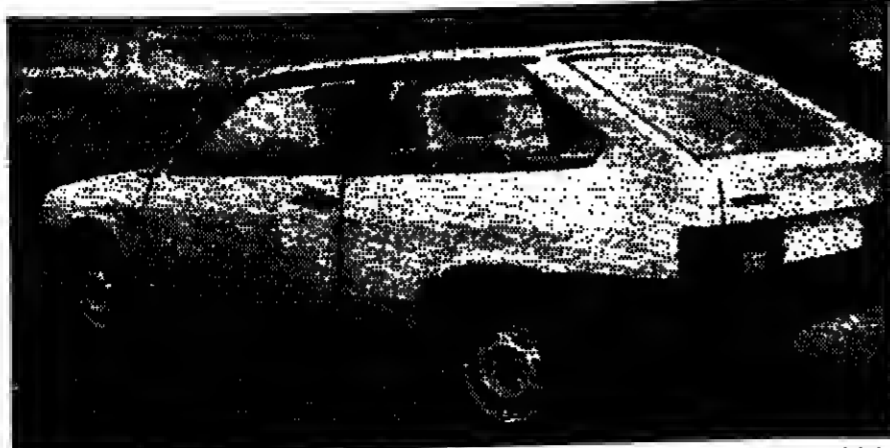
The aim is to raise productivity and the quality of production, limit the degree of central control by Moscow and to link wages more closely to the output of an improved product. Gorbachev says that only in this way can Soviet products attain international levels of quality.

The Togliatti plant, never a badly organised one by Soviet standards, began the experiment last year and some of the potential, and of the problems, facing the new initiative in Soviet management are now becoming clearer. This is important because the same difficulties and tensions will be felt throughout Soviet industry over the next decade as the biggest management change since the 1930s is introduced.

The plant itself is vast even by Soviet standards. It employs 125,000 workers in Togliatti, of whom 97,000 work in three shifts on site. Its three main assembly lines stretch two kilometres along the north bank of the Volga where the river loops around towards the city of Kuibyshev. The plant produced 721,000 cars last year, close to its recent average, and above its planned capacity when it was opened in 1970. A third of the cars are exported, half to eastern Europe and half to the west.

A central feature of the current experiment is a bid to make the enterprise self-financing through retention of profits. These are now to be divided with 47.5 per cent to the Vaz, 47.5 per cent to the government and 5 per cent to the Ministry of Automobile Industry. At the same time the management at Togliatti will be able to retain and control 40 per cent of the hard currency earnings from its exports.

This is in sharp contrast to the way in which Soviet enterprises are normally run. Since industrialisation in the 1930s the emphasis has always been on tight central control by Moscow while local management implemented a plan emphasising the



Companies in the west buying Ladas say that the number of defects has dropped significantly over the past six months



A Soviet experiment in autonomy

Patrick Cockburn explains why managerial independence is being exercised at the Vaz car plant in Togliatti

volume of production. Unlike western enterprises, where manufacturing is generally dependent on the sales department and smooth relations with the banks, the day-to-day business of a Soviet enterprise is dependent on material supplies, and this is the predominant worry, according to Professor Gasile Kerblay in his authoritative work, *Modern Soviet Society*. An allocation voucher issued by a central or regional authority is more important than money.

The plan now is to make economic levers — cost accounting, financial autonomy, profitability and productivity — rather than administrative fiat from above the main priorities for management.

Implementation of the experiment also means coordination and departments, none of which has had its authority or functions officially limited. Speaking to foreign journalists, the present management at Togliatti minimises these differences. "All the conditions of the experiment are being fulfilled at present," Alexey Nikolaev, the first deputy managing director, says blandly.

But the Soviet press, which extensively reports the progress of the experiment at Togliatti, and a parallel one at the Sumi machine building enterprise in the north Ukraine, tells of continuing financial and managerial rights of the car plant. "There are few who want to give up their rights voluntarily," notes the *Izvestia* newspaper about the reaction of ministries in

Lada's home

TOWNS THE city of Togliatti, once called Stavropol on Volga but renamed after the wartime Italian Communist leader, owes its development to the Volga automobile factory (Vaz), which was built between 1967 and 1970. The population then of 120,000 had already been boosted by the construction of a dam and hydro power station across the Volga in 1957. The build-up of water behind the dam covers most of the old city.

The population today is 640,000 and is housed in three big districts separated by a stretch of untouched forest. It will increase to 850,000 by the end of the century. Soviet plants like Vaz often control housing, recreational and medical facilities, which, in the west, would be either under municipal or private authority.

Moscow towards abrupt decentralisation. The new way of managing Soviet enterprises has not replaced the old method but exists uncomfortably alongside it.

For instance, Nikolaev says that Vaz now has no problem exercising its authority over the 40 per cent of foreign currency earnings which it is meant to control. The Foreign Trade Ministry, which has monopoly control of all Soviet foreign trade, "just does the paper work."

The issue is important because Togliatti is very largely

At Togliatti, the kindergartens and schools appear to be of high quality, but there are few cafes, bars or places for adults to meet. The sanatorium, on the edge of the forest, has been emptied and a red and white sign over the doorway reads: "Welcome to our guests from Gornel." Gornel is a district immediately north of the Chernobyl atom plant from which people are being evacuated.

Other than the Vaz car plant, Togliatti has five chemical works — too many according to local people — a machine tool and cement plant. The average age of people in the city is 29 but during his recent visit that President Gorbachev noted that facilities are small. Going through the Vaz factory he said an elderly woman had pressed a piece of paper into his hand which he read out at a meeting: "It is written

here in pencil. There is nowhere to go with the children. There is no theatre and one cinema."

The complaint was about the district, housing 300,000 people, immediately around the car plant. Local officials say that facilities are not in fact that bad given that the city has grown faster than anywhere else in the Soviet Union. Most of local investment has gone into housing but unmarried workers arriving in Togliatti live in dormitories where two share a room.

The dampness of the residential tower blocks and the flat, low shopping precincts does lead to a feeling of sensory deprivation after a time, but "give this place another 20 or 30 years and it will be a good place to live," said a local resident just turned 30. This seems a reasonable judgment.

The experiment at Vaz also includes an effort to make productivity and quality production central to the way the workforce is organised and paid. This involves paying bonuses to work teams which in turn allocate the money to its individual members. For the 504 men and women (75 per cent of the Vaz workforce is female) who work in the forging plant at Togliatti, these bonuses make up 10 per cent of the salary of a work team but up to 50 per cent of a single worker's wage.

There are signs that the complicated system of incentives is having an impact on the quality

of work. For instance, before the experiment started last year, many of the presses were not ready for use during the first hour of a shift. A system was introduced whereby if the team in charge of the maintenance and adjustment of the presses had 50 per cent working first thing they received a bonus of 10 per cent on top of their wage, if 60 per cent a bonus of 20 per cent and so on. This enabled a skilled adjuster to earn 500 roubles a month compared with a plant average of 240 roubles.

The quality of the car coming off the end of the assembly line has also improved, though the rejection rate is still high. "The reject rate has dropped by between 3 and 5 per cent to 12 per cent of cars since the experiment started," according to the head of quality control in the testing area. This is confirmed by companies in the west buying the Lada which say that the number of defects in each car they receive has dropped significantly over the past six months.

This system of incentives is not applied in the same way throughout the plant; it is used most fully where there are bottlenecks. But a wealthy Soviet enterprise like Vaz has other non-financial incentives in the form of extensive fringe benefits which it can sometimes withhold to enforce discipline.

In the forging plant, for instance, a large poster about drunkenness lists benefits which can be lost by workers who persistently offend the new anti-alcohol regulations. These include an end to all bonuses, summer holiday packages,

entry to the company rest home, additional subsidies for lunch and job downgrading.

The devolution of authority from central ministries and state committees under the experiment also means a major change for Soviet managers. The emphasis on volume production under a centrally devised plan over the past 50 years turned many Soviet managers into sergeant majors good at obeying orders, poor at innovation.

The theory behind the new system for managers greater responsibility in the running of the plant. Last week President Gorbachev attacked the state planning committee's plan for "dealing with matters which top industry executives, and perhaps even directors of industry, can sort out."

At Togliatti the quality of management looks better than in many other Soviet plants but neither they nor anybody else in the Soviet Union know how far the role of the manager will change over the next decade.

The experiment, though still in its early stages, has clearly made a difference at Togliatti. But how far is the experience gained there of universal applicability throughout Soviet industry? The Vaz plant differs from almost all other enterprises in the Soviet Union in that it produces a manufactured product to compete in Western markets and much of its capital equipment comes from abroad.

Much more modern machinery than is to be found in many Soviet factories was in place before the experiment began. At the same time it is a prestige plant visited and praised by President Gorbachev who has more leverage in Moscow than most other Soviet enterprises which are wholly vulnerable to the centrally controlled allocation of resources. The high price of its cars (the new Samara will cost 8,900 roubles, £7,350) means that self-financing is much easier than in enterprises which produce a range of products the profitability of which is vulnerable to central control of the prices of inputs and outputs.

In a command economy an economic experiment backed by the Communist Party is far from being a laboratory test case for reform. The Vaz plant does not exist in a vacuum. In the long run it is obviously impossible for a Soviet plant to be separated off from the way the rest of the Soviet economy is run. "We are white cows," said one senior manager. "Either the rest will become white or we will become black."

Management abstracts

Security in computer-aided design/manufacturing systems. F. E. Taylor in *Chartered Mechanical Engineer* (UK), Sept 85 (3 pages). Reviews the security risks to CAD/CAM systems in light of increasing system intercommunication and standardisation, which enable their unauthorised transfer to be of immediate value to a competitor. Analyzes the essential elements of identifying and auditing risks; discusses techniques which allow access control, information scrambling and passwords. Notes that there is little legal protection against these security threats as the responsibility for protection lies with the system operator.

The executive family in overseas assignments. M. G. Harvey in *The Columbia Review of World Business* (US), Spring 85 (24 pages). Techniques identifies some of the stresses and difficulties facing the family unrooted when an international executive gets a new posting; argues that the only satisfactory way of easing the situation is through a much more rigorous selection programme for executive and family.

Flexible Materials Management Systems. C. Schuk in *Industrial Engineering* (USA), Nov 85 (4 pages).

Contents that computer-controlled manufacturing systems, such as MRPII, can only be executed satisfactorily by using a flexible materials management system to address all aspects of raw material movement and storage; shows how such a system can be extended to real time by linking it with the management computer system. Highlights benefits of real-time control such as the immediacy of response and the ability to track material route; provides examples of a food distributor and pharmaceuticals company to illustrate the advantages of real-time stock information.

These abstracts are condensed from the abstracting journals published by *Author Management Publications*. Licensed copies of the original articles may be obtained at a cost of £5 each (including VAT and P & H) with orders to: *Author Management*, PO Box 23, Wembley HA9 9EL.

Standard Oil. The oil reserves of Standard Oil were given incorrectly in Wednesday's article as 0.6m barrels as a result of a transcription error. This should have read 2.6m.

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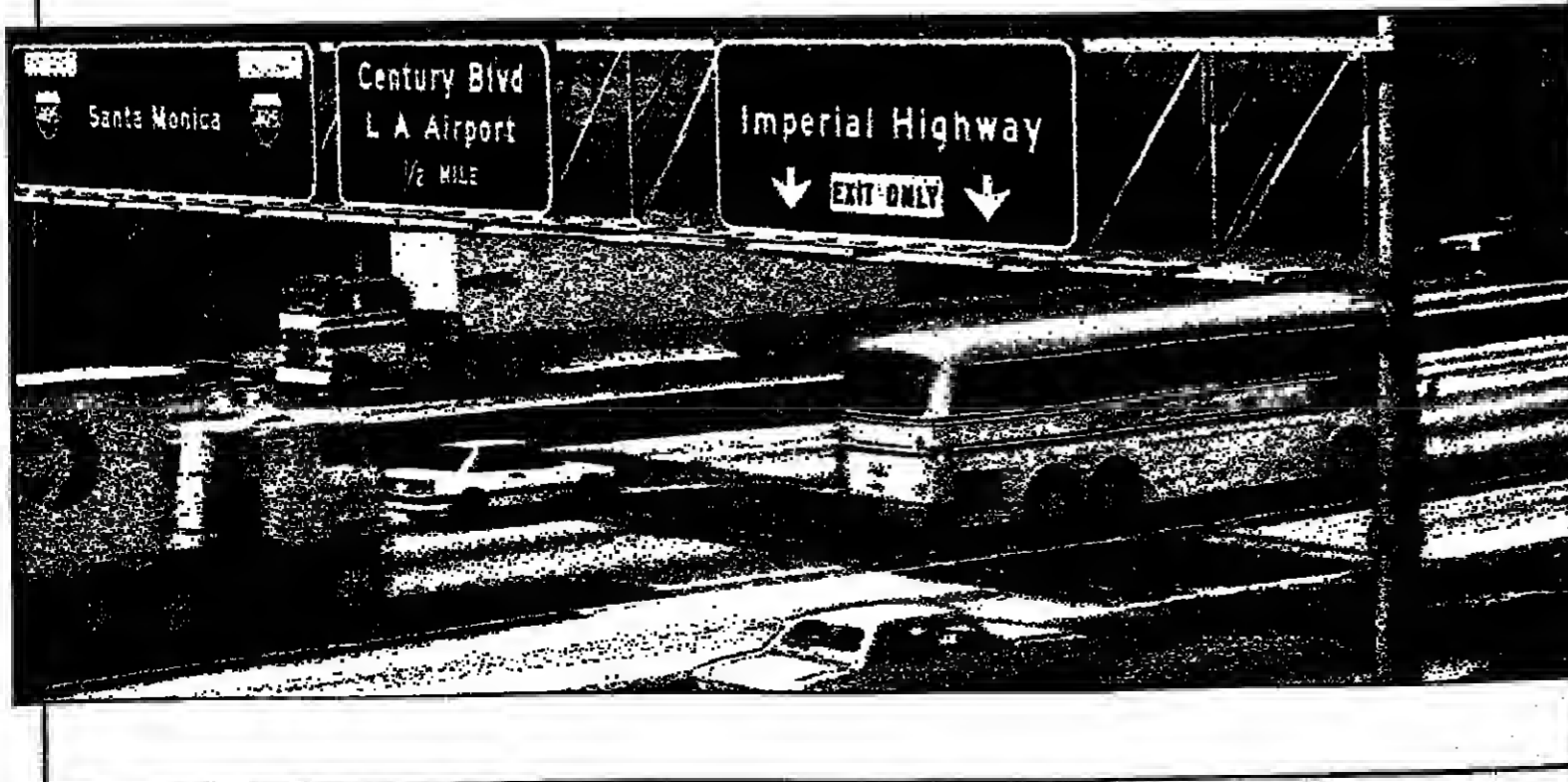
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**BEHIND** closed doors, in an inconspicuous part of its main factory on the outskirts of Milan, Pirelli is proving its production processes of the future. That future is less than a year away. It will arrive first not in Milan, but at a sister plant, Settimo Torinese, in Turin. From early 1987, the plant's output of 1,500 truck tyres a day will be produced by a workforce of 600, half the current number. The consequent big jump in productivity will be due to the pilot facility which has been operating for some months in Milan.

It employs only a handful of workers, and its tyre output is token. But it has demonstrated that the formerly labour-intensive production of truck tyres is no longer necessary.

Truck tyres are a lot more complicated to make than they might appear — and Pirelli's current range even more so. They are the first generation of low-profile radials with which the Italian tyre and cables group hopes to repeat in the commercial vehicle sector the revolution it pioneered in the car tyre business.

Its first high performance, low-profile car radials, P6s and P7s, were introduced in the 1970s. They opened up a sector which Pirelli, and subsequently other tyre makers, could steer away from mainly price-based competition. Low-profile tyres have become a "glamour" purchase, attracting a premium for their roadholding and handling characteristics. They have thus been a key factor, with productivity improvements, in Pirelli's return to profitability.

Glamour is not entirely absent from the truck world — to which the burgeoning popularity of truck racing testifies. But no truck operator buys tyres just because they look good or let a truck corner better. The low-profile truck radials were developed because trucks and buses have become heavier, much faster and travel longer distances (see chart).

And Pirelli claims that its "Zero Degree" low profile

# TECHNOLOGY

## Pirelli truck operations follow successful car tyre formula

### Lower profile — greater productivity

By John Griffiths

radials will cope with the heavier demands made on them for longer, and more reliably, than conventional cross-ply or radial tyres.

Twin steel belts laid above and at the extreme edges of the "support" belts (see diagram) are the key, reducing carcass deformation caused by the combined action of centrifugal force and inflation pressure.

But they are just one of the dozen or more different widths and compounds of materials which need to be wound on to the drum on which a basic tyre

Settimo Torinese plant. Investment in similar, but slightly less automated and thus more flexible, facilities is being made at Pirelli's Breuberg truck tyre plant in West Germany, while Pirelli's UK plant at Burton-on-Trent has had in operation for some time a semi-automated facility to produce the tyres in a very wide range of sizes and treads.

Pirelli plans that within five years all its truck tyre plants will be fully automated. It has them in Spain and Greece, as well as ones in Argentina and now in Brazil. Altogether, over £110m is being spent on new production processes and facilities.

While the productivity increase in Turin will be quantifiable, the group believes it is on target for 10-12 per cent increases overall each year for the foreseeable future.

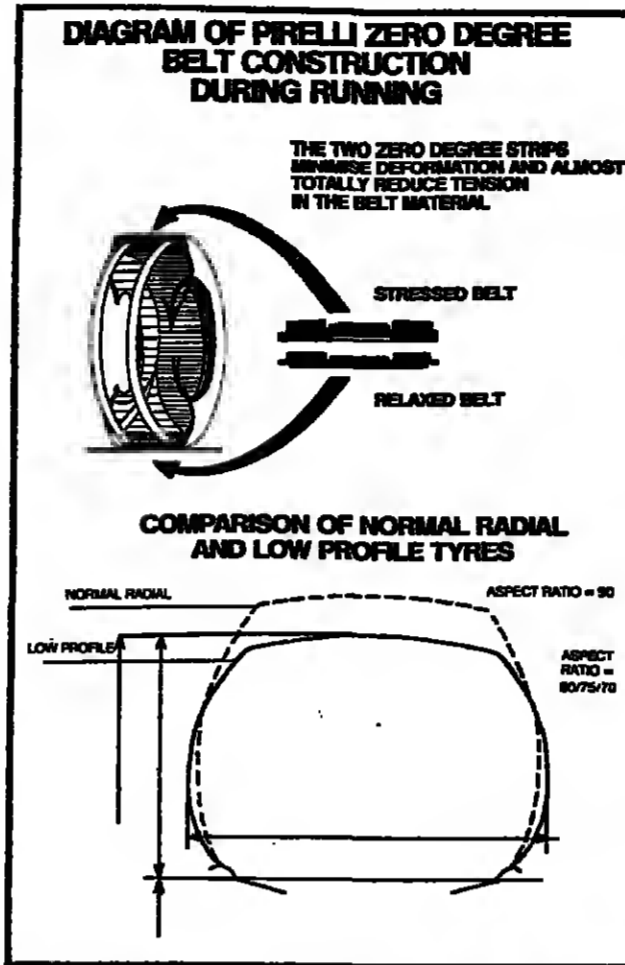
But this is not seen as meaning inexorably shrinking work forces, as the low profile tyres' desirability — just as with its predecessor for cars — is increasing demand.

Pirelli currently is producing some 2.5m truck tyres a year world wide, expected to rise to 3m by the end of 1987, for a world market — excluding the Common market — of about 4.5m a year, and which is expected to show only marginal growth up to the 1990s.

West European demand is put at 8m units a year, for original equipment and replacement tyres combined; the US 16m and Latin America 8.5m.

As happened with car tyres long ago, cross-ply truck tyres have all but disappeared from Europe in favour of radials. And Pirelli says it is now at a "critical" period for the low-profile radial. It claims to be getting a good initial response to them, but says the next two to five years will confirm whether it was right or wrong to commit itself to a premium price product so heavily.

There's no going back, for over half its truck tyre output is now of the zero degree type and the switchover will be complete in three-four years. Unit sales underwent an initial drop



come in aspect ratios — height as a proportion of width — of 70, 75 and 80 per cent, compared with a normal tyre's 90 per cent.

Various advantages are claimed, including the use of bigger wheels to maintain the rolling diameter — creating room for the disc, rather than drum, brakes to which truck makers are switching to handle truck performance gains. Being lighter than conventional tyres, they not only increase payload, but lend themselves well to light alloy wheels — and further weight reductions.

So what is the next step in truck tyre development? Pirelli executives say they believe the focus is shifting to new compounds as specialised that there will be really substantive differences between tyres fitted to front and rear axles, with yet other designs for semi-trailers.

Yet truck tyres will remain a compromise, with test rigs, no matter how sophisticated computers and systems become, unable to supply all the answers. Tyre technologists can design on a screen but the company accepts that because of the nature of tyre compounds, in being subject to the distortions of elastoplastic stress, computer models incorporating all aspects of stress and strain simply cannot provide all the answers. Real-life testing, says Pirelli, will remain indispensable.

Some very much real-life testing has given Pirelli reasonable grounds for confidence in the future of the low-profile truck radials. They have become standard fitment on the European truck racing circuit, which far from being a cowboy activity is very much truck manufacturer supported.

And they are fitted to a Pirelli-sponsored Ford Cargo truck which, powered by an Avon 302 jet engine out of a Lightning fighter, is trying for a new truck land speed record. So far it has topped 300 kph without the tyres disintegrating — that is slightly faster than a Ferrari Testarossa travelling flat out.

Truck tyres, because of the tremendous stresses to which they are subject, are much more difficult to develop than those for cars, taking three-five years to develop from scratch with a single tread pattern costing \$2.5-\$3.5m to develop. "It is not a fashion product," explains the company. "So it is changed mainly because of external factors like legislation or a technology breakthrough."

Pirelli argues that this is why so much has been invested in the zero degree tyres. They

are being installed at the carcass is formed and subsequently moulded. Traditionally, an operator has built up each tyre by selecting from an assortment of racks lengths of each material, removing their protective wrapping and feeding them through guides on to the drum, using his skill to place and cut the strips.

The production breakthrough for Pirelli is its in-house development of an automated reeling and feeding system. The various carcass components are stored on reels of widely varying sizes, and fed to the assembly drum by an automatic sequencing system which, miraculously it seems, prevents the assorted compounds tying themselves into Gordian knots. Three men are needed directly to operate the work station itself which can produce 300 tyres a day. Five units are being installed at the

## Hitachi makes it crystal clear

**DISPLAY SCREENS** with an effective area of about 9 x 6.5 inches (229 x 166 mm) and a thickness of only 0.5 inch (12 mm) have been put on the market by Japanese company Hitachi.

Based on an improved form of liquid crystal technology, the screen has a definition of 640 x 200 pixels (picture elements). Hitachi says it has been able to double the contrast compared with normal liquid crystal displays (LCDs) without sacrificing definition. This is a fundamental problem with such displays because they have to be addressed or scanned in rows and columns of pixels down two sides of the screen. The more pixels there are, the more difficult it is to maintain the proper signal on

each of them in the short dwell times available. These and other addressing problems mean that the displays are not suitable for moving TV pictures — the switching time of the pixels is too slow. The units are



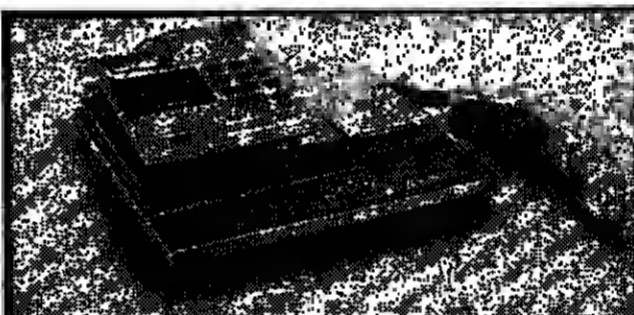
WORTH WATCHING

aimed at the character/graphics display needs of telephone / telex terminals, portable computers, word processors, industrial controllers and test equipment. The price in small volumes is about £200. More in the UK on 0822 46458.

**ENGINEERING BOARDS** of heavy density and high strength called Duratec have been launched by Cape Industrial of Glasgow.

The product has been developed as a replacement for high density asbestos-based boards, but contains no asbestos. It also has good electrical insulation and machining characteristics, retaining its strength at elevated temperatures.

**VOICE SCRAMBLERS** aimed at the business market are offered by the Edinburgh company Caltech under the name Cypherphone FX and will protect any conversation against eavesdropping or crossed lines. The small device fits neatly



Cypherphone FX voice scrambler.

under a telephone instrument, to which it is connected in series to the wall phone socket. Using a keypad, any of 16m codes can be selected in conjunction with a personal identification number. The selected code determines the way in which the speech analogue waveform is digitised and the called party can only get clear speech if

he has used the same code in his unit. The sending unit digitises the speech, rearranges the digits and sends what will be an unintelligible sound in a normal phone. At the receiving end, the sound is digitised again, the digits returned to their proper form, and a digital to analogue conversion restores the original speech. More on 011 682 1108.

## French aid to building designs

**COMPUTER-AIDED** design software for architects and builders that will run on personal computers like the Apple 2 and IBM PC are offered by French company Gimbor of 96 Boulevard de la Liberation, Vincennes F-94300.

Called Architrone, the package allows users to work interactively in three dimensions and produce plans, elevation, and perspective views. Written in the "C" computer language, the programs are modular and there are add-on packages that allow measuring and estimating and the calculation of thermal coefficients.

**IN UNDER AN HOUR, HE'LL BE IN ONE OF THE HEALTHIEST ECONOMIES IN EUROPE**

Just 55 minutes from London Paddington is Swindon, one of Europe's healthiest business locations. Since 1980 over 30 major companies have made it their centre of European operations. They chose it for its pleasant, clean environment, good supply of commercial and industrial skills, overheads that are around one fifth of central London's, and excellent communications. Fast, modern and direct communications that make travelling times to Heathrow shorter than from London itself. Get the Fact File now. Contact Douglas Smith, Industrial Adviser, Civic Offices, Swindon. Or call him on Freefone "Swindon Enterprise".

**SWINDON ENTERPRISE**  
THE PROFIT BASE.

The local authority has a range of sites available.

**Boots CHARGE CARD**

**ANNOUNCE A REDUCTION IN INTEREST RATES**

WE ARE PLEASED TO ANNOUNCE TO ALL OUR CHARGE CARDHOLDERS, A REDUCTION IN INTEREST RATES. THIS REDUCTION WILL BE APPLIED TO ALL CHARGE CARD ACCOUNT STATEMENTS PRODUCED FROM 18TH JULY 1986 (INCLUSIVE).

THE REDUCED RATE WILL BE 2.2% PER MONTH (EQUIVALENT TO AN APR 29.8%) IF PAYMENT IS MADE BY DIRECT DEBIT. IF PAYMENT IS MADE BY OTHER MEANS THE RATE WILL BE 2.5% PER MONTH (EQUIVALENT TO AN APR 34.4%).

THIS NOTIFICATION IS IN ACCORDANCE WITH CLAUSE 9 OF THE CONDITIONS OF USE FOR BOOTS CHARGE CARD ACCOUNTS.

BOOTS CHARGE CARD IS WITH NWS TRUST LTD., NORTH WEST HOUSE, CITY ROAD, CHESTER CH1 3AN.

**Company Notices**

**AFS NYSE BANK**  
Subordinated Floating Rate Notes due 1996

In accordance with the terms and conditions of the Notes, notice is hereby given that for the six months period from July 10th 1986 to January 12th 1987, the Notes will carry an interest rate of 6 1/2% (including the margin of 1/2%). The Coupon amount so calculated will be US\$258.44 for denominations of US\$10,000 and US\$50.94 for denominations of US\$250,000.

**Legal Notices**

IN THE MATTER OF K & J BUILDERS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 30th day of August, 1986, to send in their full Claims and summaries, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned of 3rd Floor, Power House, Oxford Street, Manchester M1 5AB, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefits of any distribution made before such debts are proved.

Dated this 3rd day of July 1986.  
M. J. ISAACS, Liquidator.

**STEVEMAR CATERING EQUIPMENT SUPPLIES LIMITED**

NOTICE IS HEREBY GIVEN pursuant to Section 886 of the Companies Act, 1948, that a Meeting of the creditors of STEVEMAR CATERING EQUIPMENT SUPPLIES LIMITED, will be held at the offices of LEONARD CURTIS & CO., 30 Southbourne Terrace, London W2 8LP on Thursday the 26th day of July 1986 at 12.00 o'clock midday, for the purpose provided for in Sections 886 and 890.

Dated the 2nd day of July, 1986.  
P. WOLFFHILS, Director

**OMRON TATEISI ELECTRONICS CO.**

Advert has been received from Tokyo that the said Omron Tateisi Electronics Co. has been made for the six months period from 21st July 1986 to 21st January 1987.

The dividend will be payable in United States Dollars (subject to receipt of the United States Dollars) and will amount to \$0.1675 per share after deduction of any Japanese Withholding Tax.

RESIDENTS OF THE UNITED KINGDOM who receive payments to savings converted at the rate of exchange prevailing on the day of presentation to the company.

RESIDENTS OF THE FOLLOWING COUNTRIES who are subject to deduction of Japanese Withholding Tax at the rate of 15% will receive a net dividend of \$0.142 per share after deduction of Withholding Tax amounting to \$0.0255.

RESIDENTS OF ALL OTHER COUNTRIES (EXCLUDING THE REPUBLIC OF KOREA) who are subject to deduction of Japanese Withholding Tax at the rate of 20% will receive a net dividend of \$0.1345 per share after deduction of Withholding Tax amounting to \$0.0255.

RESIDENTS OF THE REPUBLIC OF KOREA who are subject to deduction of Japanese Withholding Tax at the rate of 17% will receive a net dividend of \$0.1475 per share after deduction of Withholding Tax amounting to \$0.0255.

TO OBTAIN PAYMENT UNDER DEDUCTIVE ACCOUNTS WITHIN THE UNITED KINGDOM, RESIDENTS OF THE UNITED KINGDOM MUST ACCOMPANY THIS NOTICE WITH A FREE RECEIPT APPROVED BY THE JAPANESE MINISTRY OF FINANCE, FORMS OF WHICH MAY BE OBTAINED FROM THE OFFICES LISTED BELOW, IN THE ASSIGNED COUNTRIES APPLICABLE TO THEM. IF PAID UNDER DEDUCTIVE ACCOUNTS, THE ASSIGNED COUNTRIES LISTED BELOW ARE: Australia, Belgium, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Malaysia, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, The United States of America.

HOLDERS OF BEARER DEPOSITARY RECEIPTS (B.D.R.) wishing to claim this dividend should send their B.D.R. to the Office of any of the following:

45 Beach Street, London EC2P 2LX.  
(Where Bearer Depository Receipts are available.)  
60 Boulevard de la Libération, Paris 1, France.  
Bank of Tokyo Limited, Suburban Branch, 21 Chater Road, Hong Kong.  
Bank of Tokyo Trust Co., 1000 Pennsylvania Avenue, N.W., U.S.A.

In the case of Companies presented for payment to London, United Kingdom Tax will be deducted from the proceeds of sale accompanied by an Inland Revenue Affidavit of Home Residence.

Hill Samuel & Co. Limited, 40 Beach Street, London EC2P 2LX.

New Issue July 10, 1986

**Federal Farm Credit Banks Consolidated Systemwide Bonds**

7.35% \$690,000,000  
SERIES J-1989  
CUSIP NO. 313311 QA 3 DUE JUNE 1, 1989  
Interest on the above issue payable December 1, 1986, and semiannually thereafter

Dated July 21, 1986 Price 100%

The Bonds are the joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

Bonds are Available in Book-Entry Form-Only.

**Federal Farm Credit Banks Funding Corporation**  
90 William Street, New York, N.Y. 10038  
(212) 908-9400

This announcement appears as a matter of record only.

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ANGLIA BUILDING SOCIETY, AUSTIN REED, AA, GEC AVIONICS, BANKERS' AUTOMATED CLEARING SERVICES, BBC, BRITANNIA BUILDING SOCIETY, BRITISH GAS CORPORATION, BRITISH RAIL ENGINEERING, CARREFOUR, CENTRAL ELECTRICITY GENERATING BOARD, CHLORIDE GROUP, COATS PATONS, CO-OPERATIVE WHOLESALE SOCIETY, DALGETY UK, DHSS, THE EQUITABLE LIFE ASSURANCE SOCIETY, F. HINDS, FERRANTI, HAWKER SIDDELEY GROUP, HIGHLAND REGIONAL COUNCIL, H. M. CUSTOMS AND EXCISE, IMPERIAL GROUP, INLAND REVENUE, KELLOGG COMPANY OF GREAT BRITAIN, KWIK-FIT, LANCASHIRE COUNTY COUNCIL, METAL BOX, MILK MARKETING BOARD, PROVINCIAL INSURANCE, RACAL ELECTRONICS, ROYAL DOULTON, J. SAINSBURY, H. SAMUEL, W. H. SMITH DO IT ALL, SPILLERS FOODS, STYLO, THORN EMI, VISIONHIRE, WM. LOW & COMPANY.



You're in good company.

THE ARTS



Music

FRANCE
Aix-en-Provence (July 3-Aug 2): Opera Festival: Don Giovanni, Idomeneo, Tancredi, Ariadne auf Naxos, recitals by Margaret Price, and Jorge Bolet, de Vitoria, Palestrina, Strauss, Mozart, Mendelssohn, Beethoven, Bach, Vivaldi concerts (4223 3781).

LONDON
London Philharmonic Orchestra, conductor Klaus Tennstedt, Shlomo Mintz violin: Beethoven, Festival Hall (Mon), (928 3191).

VIENNA
Philippe Leleuvre, organ: Couperin, Corneil, Robert Schumann, Franck, Dupre, Augustinierkirche (Fri).

WASHINGTON
Summer Festival (Concert Hall): Highlighted by a visit from the Newport Folk Festival in August, this summer-long string of popular singers and musicians includes recital performance Neil Sedaka, Shirley Bassey, Dionne Warwick and Patsy Clark. Ends Aug 27.

ROME, Palazzo dei Conservatori: 'The Tranquil Dwellings of the Gods: a magnificent imperial palace in the Horti Lamiani.' This exhibition leaves a vivid impression of the grandeur, grace and elegance of the palaces of the Roman emperors.

Exhibitions

SPAIN
Madrid, References and Identities. An encounter of prestigious international artists welcoming the inauguration of a new art centre in Madrid: Centro Reina Sofia, Santa Isabel 51. Ends Sept.

PARIS
French Masters of the 19th and 20th century: The catalogue of the yearly Robert Schmit exhibition reads like a Who's Who in painting. There are five Boudins, the gallery's specialty.

WEST GERMANY
Düsseldorf, Kunstmuseum, Ehrenhof: 50 years of classical drawings by the German expressionist covering 1933-54. Ends Oct.

Opera and Ballet

VIENNA
Strauss' Wiener Blut and Mozart's Die Entführung aus dem Serail. Every day except Sunday at the Schönbrunn Palace Theatre (92 45 66).

LONDON
Royal Opera, Covent Garden: The now rather aged and shabby John Copley production of Così fan tutte comes back for an end-of-term run, with Gabriele Ferro as conductor and an oddly mixed cast including newcomers Karita Mattila, Anne Sofie von Otter, John Aler, and the veteran Walter Berry.

WEST GERMANY
Cologne, Opera: The last performance this season will be The Marriage of Figaro, with Janice Hall, Andrea Andouan and Claudio Nicolai in the cast.

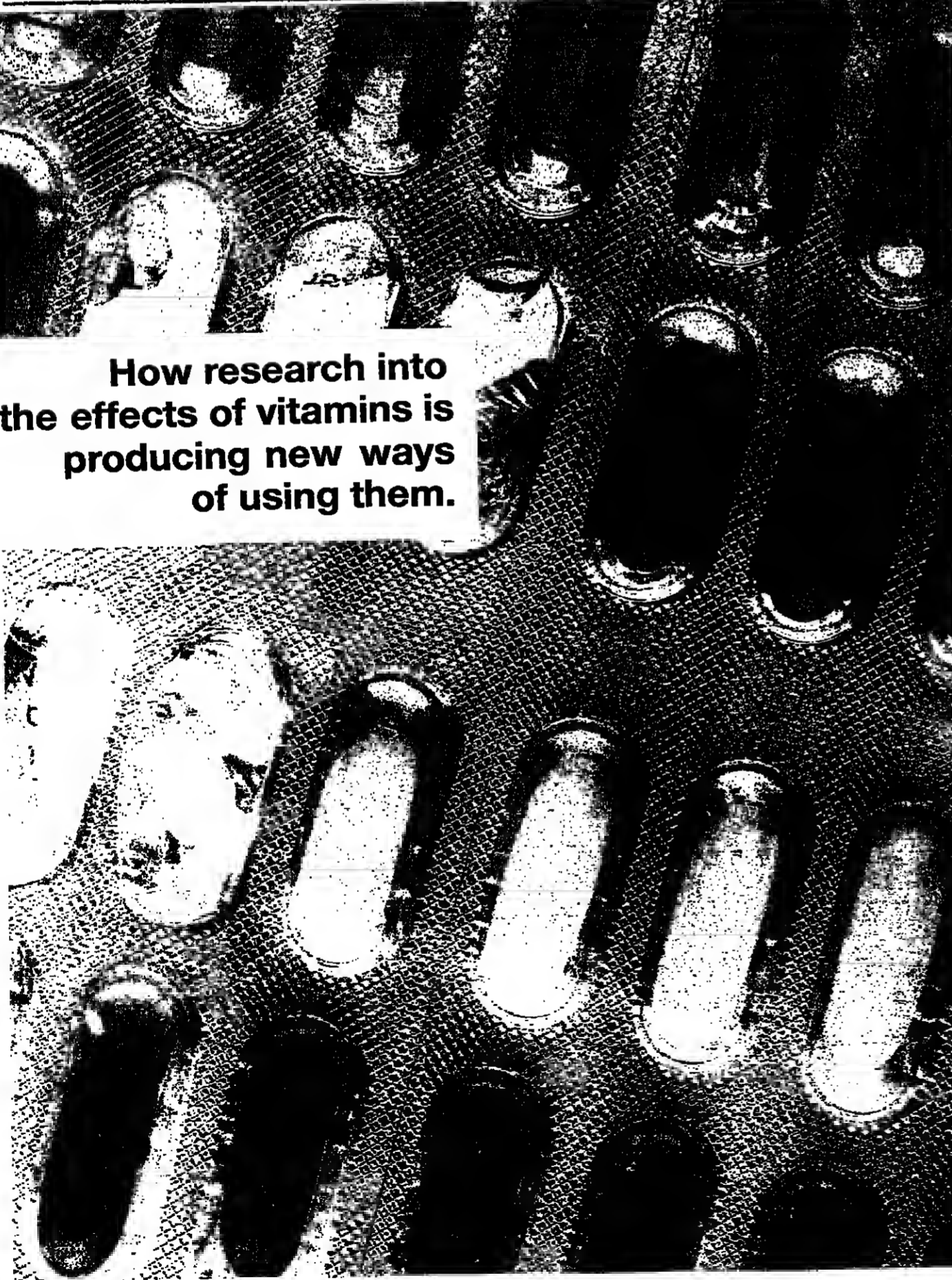
NEW YORK
Paris Opera Ballet (Metropolitan Opera House): Mixed repertory in the five-day visit of this distinguished company. Ends July 20. Kennedy Center (254 4770).

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How research into the effects of vitamins is producing new ways of using them.

Vitamins have a vital influence on metabolism, affecting many important body and nerve functions.

The more we learn about these relationships, the more we will be able to advance the fight against disease.

BASF, as one of the world's leading vitamin manufacturers, is engaged in this important scientific quest and is coordinating research on an international basis.

Examples of this are two long-term studies currently being undertaken in collaboration with Harvard University.

The first study is concerned with cancer prevention techniques; the objective is to discover whether beta-carotene, also known as provitamin A, and vitamin E in combination with selenium can provide protection against the formation of tumour cells.

The second study is an examination of the effectiveness of vitamin B6 as a protection against coronary diseases.

Such is the hope attached to the outcome of this research that 20,000 doctors and nurses are participating in these two major epidemiological surveys involving

the use of BASF vitamins over periods of five and eight years.

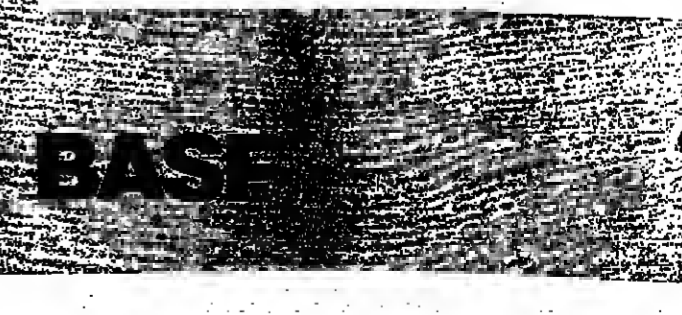
Since finding the best method of administering the vitamins is of crucial importance, the very latest and most sophisticated manufacturing techniques are being applied.

For instance, computer-controlled systems monitor both the manufacture and formulation of beta-carotene so that the maximum amount can be absorbed by the human body.

Moreover, we are committed to discovering new and better solutions to urgent problems in this important field.

Fortunately, at BASF we have the high credibility for this task: an on-going comprehensive research programme involving scientists from many different disciplines backed by the latest technology.

Vitamin research by BASF: a world leader in vitamin manufacturing and know-how.



Continued on Page 14

التميز

# THE VISION

Four years ago, Britain's leading car manufacturer embarked upon its most demanding challenge ever.

To build a range of luxury executive saloons that would be without equal.

It would be an achievement that could be realised only through the total, heart-felt commitment from everyone involved in the development of the car.

From those responsible for its looks and beauty of line.

For its performance, handling and ride. Its specification and comfort. And, for its quality and reliability.

That commitment would lead to many changes in approach and attitude.

Most notably it would result in a unique development programme and joint venture between two leading car manufacturers.

Rover and Honda.

It would be a joint venture in the truest sense, the most productive sense.

From day one they would share, exchange and improve ideas.

They would work together on every aspect of the project.

Better still, they would constantly compete with one another in the development of two separate executive motor cars.

One a Rover, the other a Honda.

As distinctively different as they are distinctive.

Today, that vision becomes reality. For Rover. And for Britain.





# THE CAR



## THE NEW ROVER 800 SERIES

Purity of form, consummate luxury, classic beauty.

Computerised electronics hand in hand with some of the world's most sophisticated automotive engineering. And a remarkable balance between smoothness of ride and quite awesome power.

The new Rover 800 Series.

Britain's new four-model range of luxury cars. All four models have been designed and built to meet the most exacting demands of today's businessmen.

At the top of the range, the Rover Sterling. The height of luxury, the very best of taste. Every need and fancy predicted and catered for.

The Rover 825i. Grace and elegance harnessed to full-

blooded power. The potent 2.5 litre, V6 fuel-injected engine and its 24 valves will have you nudging the speed limit in a little over seven seconds\* from standstill.

The 820i and 820Si. The energy-conscious luxury cars. The 2 litre, 16 valve, fuel-injected engine delivers exhilarating performance that is matched only by its miserly fuel-consumption.

In the coming weeks we'll be giving you all the facts and all the figures about the cars. Until then, let us leave you with this one thought. The Rover 800 rides like no other luxury saloon you have ever driven.

So may we suggest you take a test drive.

And experience automotive engineering in a finer form.

ENGINEERING IN



A FINER FORM

CAR SHOWN - ROVER STERLING. RANGE ALSO INCLUDES ROVER 825, 825i, 825i. \*MANUFACTURER'S DATA, (ROVER ESTIMATED), 0-60 MPH IN 13 SECONDS. DOT FIGURES: ROVER 825 & 825i URBAN CYCLE 28.1 MPG (7.2 L PER 100 KM), 36 MPH (5.8 L/100 KM), 75 MPH (5.1 L/100 KM). SEE PREVIOUS PAGE NUMBER FOR NATIONAL CAR RENTAL RESERVATIONS THROUGH BRITISH CAR RENTAL, TEL: 001 7723. TAX FREE SALES INFORMATION, 011 415 919 EXT. 200.



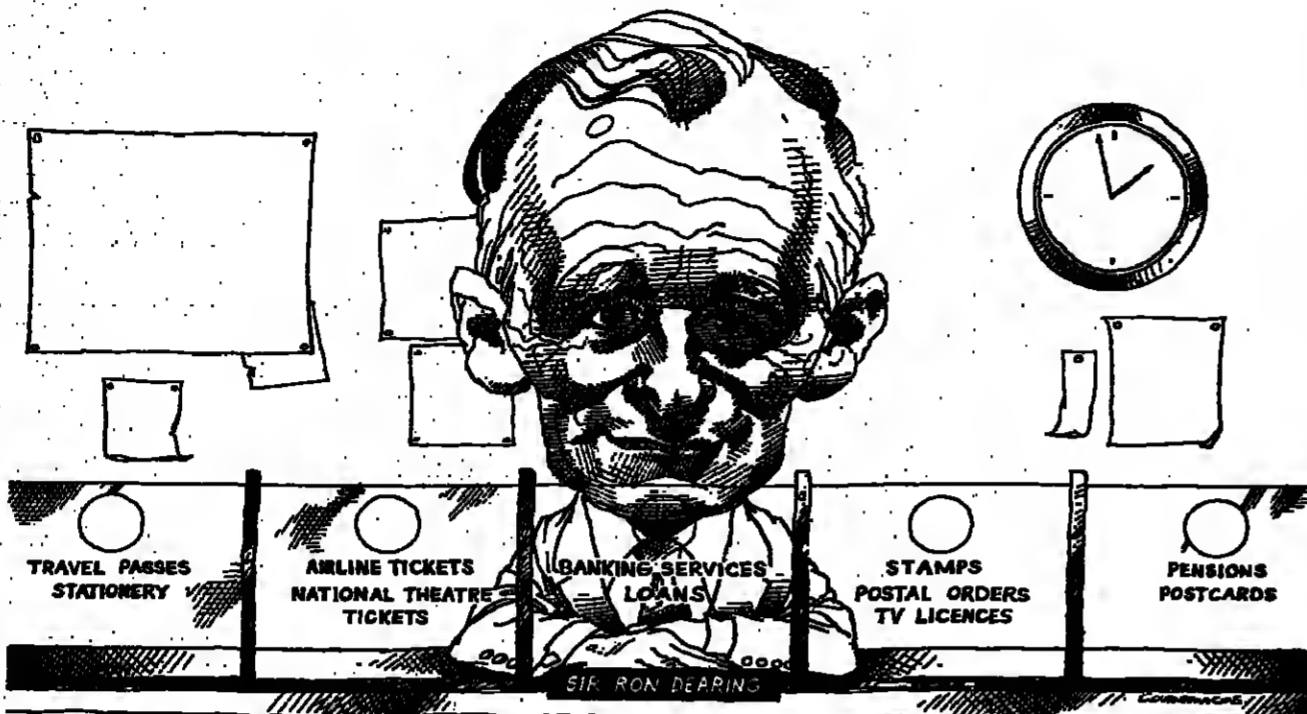




POLITICS TODAY

The people's Post Office

By Malcolm Rutherford



THE BRITISH Post Office... the Government... not to privatise... always... way of the... everybody... one way... before... better... a general election... As Ministers... now... more... legislation... Yet it is still odd that the Post Office has never really been on the list of the Conservative Party's candidates for privatisation... Sir Ronald has been making his points in speeches, the occasion... and in an appearance... on the Commons Select Committee on Trade and Industry this week... The Post Office is one of those... seems to differ markedly from popular opinion... I imagine, start with the same... when I began to look at the subject a few days ago... There are two in particular... The first is the frustration of... stamps are also being attended to... From next month about 2,000 electronic push-button machines will be introduced... counter business and the Girobank... At the same time, the Post Office is one of the biggest retail businesses in the country... It is also still expanding... The Girobank, with just under 2m customers, is growing as well... The question is what happens next... Will the Tories seek to privatise it or will a Labour Government let it develop as a model public sector corporation?

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are almost limitless... If there is ever an integration of the tax and benefit system... The problem about industrial relations is that the Post Office is trying to adapt to very severe technological change... Sir Ronald, who used to work in the Department of Industry himself and had never run a factory before he took over the Post Office... None of this is entirely new... That is now being... on the whole with a degree of success... It would be a different matter if we were starting afresh... The fact is that it is there, like... and it has to be dealt with as it is... Sir Ronald, is arguing, essen-

tially that it should be acknowledged as a special kind of public sector corporation... The Government can, and should, sack the management if it likes when it fails to deliver... Sir Ronald, who used to work in the Department of Industry himself and had never run a factory before he took over the Post Office... None of this is entirely new... That is now being... on the whole with a degree of success... It would be a different matter if we were starting afresh... The fact is that it is there, like... and it has to be dealt with as it is... Sir Ronald, is arguing, essen-

Lombard Corporate image and reality

By Richard Lambert

US STEEL, one of the great names of American business history, is henceforward to be known as USX Corporation... For the companies, the name change is usually intended to be a symbolic gesture... But is it really a positive message that is being projected? The Rover decision, for instance, might instead be seen as the last nail in the coffin of the British-owned motor industry... In a way, what is almost too frightful to contemplate is the circumstances in which such decisions are taken... Of course the exercise will be dressed up in pseudo scientific jargon to impress the poor souls who have been persuaded that they are doing something worthwhile... The two themes go together. A positive public image is indeed of first importance to an asset shuffer. But when important institutions put public relations before performance, it is time to watch out.

Urban areas of opportunity

From the Deputy Director, Confederation of British Industry... Sir—You reported (July 7 and 8) that the Government is considering setting up eight urban development corporations (UDCs) to tackle areas of high urban decay... Where a problem is more likely to arise is in areas where substantial communities already exist... Such areas clearly need more than the existing efforts of local authorities and central government... I am inclined to believe that inter-mediated credit and extensive bank ownership of equity did positively aid development... In principle, capital provided by the public through the direct purchase of securities

Letters to the Editor

I am one of the unfortunate 10 per cent that is always late... Money on the line... From Mr S. Hurst... Sir—I read with interest Andrew Fisher's report (July 7) "Money on the line"... original loan was taken out near the beginning of a month... Money on the line... From Mr S. Hurst... Sir—I read with interest Andrew Fisher's report (July 7) "Money on the line"... original loan was taken out near the beginning of a month... Money on the line... From Mr S. Hurst... Sir—I read with interest Andrew Fisher's report (July 7) "Money on the line"... original loan was taken out near the beginning of a month...

Money on the line

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Advertisement for St. George's Court, London EC3. Features a dragon logo and text: "St. George's Court £26,000,000 Limited Recourse Facility to finance the development of St. George's Court, 51 Eastcheap, London EC3". Lists associated companies: London & Edinburgh Trust PLC, S & W Beristord PLC, Balfour Beatty Limited, Guinness Peat Group PLC, City Merchant Developers Limited. Managed by A P Bank Limited. Provided by Canadian Imperial Bank of Commerce, Security Pacific National Bank, Riggs National Bank, A P Bank Limited, Banque Belge Limited, Banque Paribas (London), Nederlandsche Middenstandsbank N.V., Yorkshire Bank PLC, Bank of Tokyo International Limited. Agent Bank: A P Bank Limited. May 1986.

Something to be said for a close company-bank relationship

From Professor W. Carl Kester... Sir—in his article, "A lament for old-time banking" (June 17), David Lascelles puts his finger squarely on an important feature of modern finance: the "securitisation" of corporate liabilities and bank assets... and significance of that relation, particularly so since the slowdown in their growth preceded this shift from bank-oriented financing... To the extent that a positive relation between inter-mediated credit and corporate performance does exist, I am inclined to attribute it to factors somewhat different than that identified by Mr. Lascelles... In principle, capital provided by the public through the direct purchase of securities



Showing the way in personal computers

FERRANTI

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday July 11 1986

Erith plc BUILDERS MERCHANTS

General Electric profits edge ahead 5 per cent

By Paul Taylor in New York

General Electric (GE), the fast diversifying US electrical and electronic equipment manufacturer...

Completion in June of the merger with RCA marks a major milestone in GE's strategy...

The acquisition of Kidder Peabody's investment banking business...

Meanwhile GE's financial condition remains strong...

Among GE's industry segments the group noted yesterday that consumer products...

and flat industrial products revenues. Power systems earnings were substantially lower...

RAYTHEON, the US defence electronics and process engineering group...

For the first half, Raytheon reported net earnings of \$192.1m...

The company said the latest quarter's operating performance was "passed by electronics as our defence electronics systems continue to grow strongly..."

Safeway earnings slip to \$45.6m

By Louise Kahoe in San Francisco

SAFEGWAY STORES, the giant US supermarket chain that lost an unsolicited \$3.8m takeover bid...

Sales were up slightly at \$4.57bn compared with \$4.54bn in the second quarter of 1985.

First-half earnings totalled \$72.6m, or \$1.19 a share, compared with \$75.6m, or \$1.26, last year.

Safeway said earnings from its foreign operations continued to show strength...

Safeway had no further comment on the Dart Group takeover bid. On Wednesday the company said that it would evaluate the offer...

Ford buys 10% stake in Korean car maker

By William Hall in New York

FORD, the second biggest US car manufacturer, is paying \$30m for a 10 per cent stake in Kia Motors...

Mr Donald E. Petersen, Ford's chairman, said: "The Pacific rim nations are becoming a pivotal production area for the global auto industry..."

Mr Calvet said the Peugeot family and Michelin shareholders did not take up the 1985 rights issue because they decided small shareholders should be given a chance instead.

There was no question - barring some unforeseen emergency - of Peugeot having another rights issue before the announcement of 1986 results in March next year, he added.

This would enable the management to show it had made good use of the money raised by the FFr 925m rights issue and FFr 960m bond issue with warrants in 1983 before asking for more capital.

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General Mills rebound continues

By Our New York Staff

GENERAL MILLS, the US packaged food and restaurant group, yesterday reported sharply higher fiscal fourth-quarter and full year earnings...

The Minneapolis-based group said its fiscal fourth-quarter net earnings jumped to \$42.2m or 94 cents a share on revenues of \$1.18bn.

General Mills reported net operating earnings of \$100,000 or 1 cent a share on revenues of \$1.07bn after taking a \$34.6m charge related to an asset redeployment programme.

For the fiscal year ended May 25, General Mills reported net earnings of \$183.2m or \$4.11 a share on sales of \$4.59bn compared to net earnings from continuing operations of \$115.4m or \$2.58 a share on sales of \$4.25bn in the previous year.

In fiscal 1985 a loss of \$188.2m from discontinued operations made a final net loss of \$72.9m. The fiscal 1985 earnings from continuing operations include a \$44m charge.

The group, whose major brand products include Big C cereals, Betty Crocker desserts and Gold Medal flour, and which operates about 505 restaurants, has spun-off its toy and fashion groups and disposed of several special retailing businesses as part of a major restructuring.

Yesterday, General Mills said its current year was off to a "promising start" towards strong financial performance.

The company said its consumer foods business showed a favourable operating profit in the year just ended, despite heavy marketing spending. The restaurant group plans to add 100 new outlets in the current year, up from 29 in 1986 and four in 1985. It also intends to remodel more than 200 existing Red Lobster and York restaurants.

Suncor stake to be retained

By Robert Gibbons in Montreal

ONTARIO'S Liberal Government has been prevented by the collapse in oil prices since last December from carrying out a commitment to sell its 25 per cent interest in Suncor...

Mr Robert Nixon, treasurer, said the Government took a highly negative view of the investment, made by the previous Conservative Administration after the 1978 energy crisis...

Mr Lawrence Kitchen, Lockheed's chairman, said Sanders would form the nucleus of an electronics group at Lockheed...

Lockheed to acquire Sanders in agreed bid

By Our New York Staff

LOCKHEED, the US aerospace group, has emerged as the white knight in the takeover battle for Sanders Associates with an agreed \$1.2bn offer...

Mr Lawrence Kitchen, Lockheed's chairman, said Sanders would form the nucleus of an electronics group at Lockheed...

"We view the electronics capabilities of Sanders, when coupled with the different but complementary capabilities of Lockheed...

capabilities of Lockheed, as an excellent opportunity substantially to improve the growth and profitability of both companies in the coming years..."

Lockheed is the latest in a string of major US companies which have been expanding into the electronics field...

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British institutions snap up Peugeot

By Kenneth Gooding in Paris

PEUGEOT, the French motor group, revealed that 59 UK financial institutions bought shares when Chrysler of the US recently sold a 12.5 per cent stake in the French company...

Mr Jacques Calvet, Peugeot's chairman, noted that two institutions each bought 200,000 Peugeot shares, representing about 1.3 per cent of the capital.

He made it clear the group feels well protected from potential predators because the Peugeot family owns about 30 per cent of the equity.

Texas Air bid for People Express ends

By Our New York Staff

TEXAS AIR said yesterday that People Express, the troubled cut-price carrier, had rejected its takeover proposal of \$9 in cash and non-convertible preferred stock.

Mr Calvet said the Peugeot family and Michelin shareholders did not take up the 1985 rights issue because they decided small shareholders should be given a chance instead.

There was no question - barring some unforeseen emergency - of Peugeot having another rights issue before the announcement of 1986 results in March next year, he added.

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NISSAN MOTOR CO., LTD. (Nissan Jidosha Kabushiki Kaisha) (Incorporated under the Commercial Code of Japan) ¥15,000,000,000 6 1/4 per cent. Bonds Due 1996 ISSUE PRICE 101 1/4 PER CENT. Daiwa Europe Limited, Fuji International Finance Limited, Algemene Bank Nederland N.V., Banque Nationale de Paris, Goldman Sachs International Corp., Manufacturers Hanover Limited, Samuel Montagu & Co. Limited, Société Générale, Wako International (Europe) Limited, IBJ International Limited, The Nikko Securities Co., (Europe) Ltd., Bank of Tokyo International Limited, Citicorp Investment Bank Limited, Kyowa Bank Nederland N.V., Merrill Lynch Capital Markets, New Japan Securities Europe Limited, Sumitomo Finance International, S.G. Warburg & Co. Ltd., Yamaichi International (Europe) Limited

REPUBLIC OF ICELAND ECU 50,000,000 6 7/8% 1986-1996 Bonds Kredietbank International Group BankAmerica Capital Markets Group Westdeutsche Landesbank Girozentrale Algemene Bank Nederland N.V. Bank Brussel Lambert N.V. Bank Mees & Hope NV Banque Générale du Luxembourg S.A. Banque Indosuez Banque Nationale de Paris Banque Paribas Capital Markets Limited Compagnie Monégasque de Banque Crédit Commercial de France Crédit du Nord Credit Suisse First Boston Limited CIBC Limited Enskilda Securities Skandinaviska Enskilda Limited Generale Bank Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft Istituto Bancario San Paolo di Torino Manufacturers Hanover Limited Morgan Guaranty Ltd Morgan Stanley International The Nikko Securities Co., (Europe) Ltd. Nippon European Bank S.A. - ITCB Group Nomura International Group Limited Norddeutsche Landesbank Girozentrale PK Christiania Bank (UK) Limited Privatbanken A/S Rabobank Nederland Sumitomo Finance International Tokai International Limited Union Bank of Norway Sparebanken ABC Union Bank of Switzerland (Securities) Limited S.G. Warburg & Co. Ltd. Yamaichi International (Europe) Limited

INTL. COMPANIES & FINANCE

# Deminex warns of loss if oil slump continues

BY RUPERT CORNWELL IN BONN

DEMINEX, the West German oil exploration and production company, has warned that it could plunge into the red for this year if the slump in world oil prices continues - in which case, according to Mr Ernst Hotz, its chief executive, "drastic measures" would become virtually unavoidable.

The grim scenario sketched out by Mr Hotz assumes that energy prices bump along at their present depressed level until autumn or early winter. He did not specify the exact shape of any corrective action, but hinted that one of the areas to come under scrutiny might be the North Sea.

Deminex, which is 54 per cent owned by the Veba chemicals and energy conglomerate, is currently

involved in 62 exploration ventures around the world, in addition to its extensive activities in the US. But, as Mr Hans-Martin Kipchen, the company's managing director, noted, while costs in countries such as Egypt and Syria, at the equivalent of some \$4 per barrel were still "relatively favourable," opening up a new field in the North Sea was unprofitable if oil prices remained at about \$10 per barrel.

The worsening of the oil market has already had a big impact on Deminex's results for 1985. While turnover soared to DM 1.85bn (\$756m) from only DM 740m in 1984, earnings were halved to DM 67.4m from DM 133.9m a year before. Crude oil production rose 19 per cent to 3.7m tonnes, of which two thirds came

from the North Sea and the rest from Egypt, the US, Indonesia, Syria and Canada.

The immediate outlook has led the group to slash its planned exploration expenditure for this year by half from the originally planned DM 940m.

Despite the current difficulties, which Mr Hotz admitted might persist into 1987 or even 1988, Deminex is sticking to its basic task of helping West Germany, which has no major domestic oil fields or any other league oil company of its own, to achieve a measure of control over its supplies.

At present, Deminex's exploration spending - DM 294m in 1985 - is 45 per cent covered by the state.

# Amev plans to expand US leasing

By Laura Reun in Amsterdam

AMEV, the third-largest Dutch insurance company, plans to acquire Certified Furniture Leasing of Atlanta, Georgia, a division of National Service Industries, for \$20m.

The acquisition is aimed at bolstering Amev's furniture and office equipment leasing activities, which are carried out by General Furniture Leasing of Atlanta.

Amev's policy in North America is to allow wide latitude to the 10 operating companies, which include leasing, finance and venture capital. Amev will be the fourth-largest participant in the US furniture leasing business with about 10 per cent of the market.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or purchase, any securities.

£46,000,000

## CGF Capital B.V.

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Convertible into Ordinary Shares of, and unconditionally and irrevocably guaranteed on a subordinated basis by,

## Consolidated Gold Fields PLC

(Incorporated with limited liability in England)

The following have agreed to subscribe or procure subscribers for the Bonds:

S. G. Warburg, Akroyd, Rowe & Pitman, Mullens Securities Ltd.

Credit Suisse First Boston Limited

Union Bank of Switzerland (Securities) Limited

J. Henry Schroder Wagg & Co. Limited

Banque Paribas Capital Markets Limited

Cazenove & Co.

Dresdner Bank Aktiengesellschaft

Goldman Sachs International Corp.

Morgan Stanley International

The issue price of the Bonds is 100 per cent. of their principal amount. Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List.

The first interest payment will be made on 30th June, 1987 in respect of the period from 24th July, 1986 to 30th June, 1987. Subsequently interest will be payable annually in arrears on 30th June, commencing in 1988.

Listing Particulars relating to the Bonds, the Issuer and the Guarantor are available in the statistical service of Exel Statistical Services Limited and copies may be obtained during usual business hours up to and including 15th July, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 23rd July, 1986 from:

Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD

11th July, 1986

# Ferranti in Spanish chip venture talks

By Tom Burns in Madrid

FERRANTI IS negotiating a participation in a Spanish electronics company with the aim of transferring technology to manufacture semi-conductor chips.

The negotiations concern Piber Semi Conductors, a Barcelona-based company which is in financial difficulty and which will now be salvaged by public funds and restructured into a new company that will be linked to the British Ferranti group.

The likely outcome of initial talks will be the creation of a joint venture grouping the local authorities in Barcelona, the Industry Ministry in Madrid, a Spanish company called Serrano Semi Conductors, which mainly markets imported electronics, and Ferranti.

Three months ago Piber suspended financing payments when it posted liabilities of Pta 2.2bn on assets of Pta 2.5bn. The Barcelona-based autonomous Catalan government is understood to be prepared to inject Pta 70m to finance a three-month feasibility study into the projected new company.

# Rheinmetall expects sales boost

BY RUPERT CORNWELL IN BONN

LARGELY THANKS to its acquisition of the Pierburg car components concern, Rheinmetall, the fast diversifying engineering and arms group, is expecting to boost sales this year to about DM 2.5bn (\$1.22bn) from DM 2.1bn in 1985. The company also plans to double its capital investment programme for 1986, to about DM 200m.

This was announced by Mr Hans Brauner, chief executive, in his latest report on Rheinmetall's progress towards its goal of becoming a rounded high technology concern, in place of its traditional structure as an engineering group, heavily dependent on arms production.

Rheinmetall's discomfort at

being primarily identified with the arms industry was evident as recently as May, when four present and former executives were convicted of illegal arms exports by a court in Dusseldorf. But Mr Brauner pointed out that whereas defence equipment accounted for 70 per cent of sales in the late 1970s—when those offences were committed—that proportion had dropped to 37 per cent in 1985.

If Pierburg was included, he declared, engineering activities generated 89 per cent of total sales, with the remaining 24 per cent in car components. This diversification not only underlined Rheinmetall's ambition of becoming an all-round "technology concern," it was also enabling the group to spread

its risks more satisfactorily. As further proof of its intentions, Rheinmetall is also involved in the newly created "Technology Centre North" at Unterfressen in the state of Lower Saxony, which it hopes will allow it to be a pace setter for high technology innovation in the civilian sector.

Earnings last year rose to DM 59.2m from DM 45.1m in 1985, as sales jumped 6.5 per cent to DM 2.1bn. The dividend however, stays at DM 7.50 per ordinary share and DM 5.50 per preference share. In the first six months turnover was up 5.5 per cent at DM 1.3bn. New orders booked during that period reached DM 1.4bn, bringing the group's total outstanding order book to DM 2.5bn.

# Financial Highlights 1985

1985 - Key Figures	(DM million)
Balance sheet total	2,463
Due from banks	1,267
Securities	310
Credit volume	1,177
Due to banks	2,104
Capital	50

As of December 31, 1985, the balance sheet total of Badische Kommunale Landesbank International S.A., Luxembourg, was approximately DM 2.5 billion.

In its lending activities, the Bank focused on syndicated Eurocredit business, short-term loans to German customers and trade financing for German exporters. The overall credit volume amounted to DM 1.2 billion.

Deposits from banks totalled DM 2.1 billion and remained the most important source of funding.

Earnings rose by 30% - largely the result of trading operations. Following allocation of the maximum permissible amount to the general risk provision, net profit was fully applied to increasing risk coverage.

The Bank's capital was DM 50 million. Total capital funds, including a subordinated loan, amounted to DM 142 million.

If you would like further information we would be pleased to send you our 1985 Annual Report.

BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A.

7, Boulevard Joseph II, P.O. Box 626, L-2016 Luxembourg, Telephone: 4 75 99 11, Telex: 1791

# German link for Dutch publisher

By Laura Reun in Amsterdam

Boehrman-Tetterode, a leading Dutch paper company, is negotiating to take over Ferdinand Flinsch, a West German wholesaler of graphic paper.

Flinsch would strengthen Bohrman-Tetterode's wholesale activities in graphic paper and cartons in the Netherlands and Belgium. The German company employs 120 in three locations, Frankfurt, Stuttgart and Dusseldorf.

Boehrman-Tetterode declined to reveal a possible purchase price or sales figure for Flinsch and would say only that the German concern was "middle size" and among the oldest in the industry.

EGERTON TRUST PLC			
INTERIM STATEMENT			
	Six months to 30th June 1986	Six months to 30th June 1985	Year to 31st Dec 1985
Turnover	5,000	5,000	5,000
Profit before taxation	3,096	2,796	3,075
Profit after taxation	647	413	86
Profit/(loss) attributable to shareholders	551	270	68
Earnings per ordinary share	477	270	(682)
Dividends payable	3.44p	3.16p	0.80p
Dividends per share	(80)	(17)	(17)
	0.5p	0.2p	0.2p

Extracts from the statement by the Chairman, Frank Sanderson.

1. Unaudited profit before tax for the period was \$647,000 (1985 - \$413,000), showing a significant recovery from the 1985 full year outcome of \$86,000.
2. Principal contributions were from private housebuilding, with ongoing homes and property investment also showing profits.
3. The new management team has been able to assemble an extensive programme in the nursing home, sheltered housing and private housing fields.
4. Eight nursing homes have been or are being purchased.
5. All divisions are very active, both in the implementation of existing programmes and the analysis of additional projects.

The Chairman indicates significant growth in earnings for the future.

Copies of the Interim Statement are available from:  
The Secretary,  
EGERTON TRUST PLC  
1 Lonsdale Gardens, Tunbridge Wells, Kent TN11 1NU Telephone: Tunbridge Wells (0682) 96427

# ATKINS

Atkins Brothers (Heslop) plc is an industrial holding company with two major operating subsidiaries involved in separate but complementary businesses.

**atkins**  
ATKINS OF HINCKLEY LTD., is a leading designer and manufacturer of high-quality hosiery and knitwear products.

**AIH**  
ATKINS INDUSTRIAL HOLDINGS LTD., manufactures and markets a range of electronically controlled display systems.

The Group's declared objective is to generate growth in earnings per share both organically through the active development of its existing interests and, where appropriate, by further acquisition.

I am very pleased to be able to report record profit figures for the year. Trading in the first two months of the new year has started well. Bill Dawson, Chairman

FROM THE 1986 ANNUAL REPORT:

- Turnover £19m - UP 36%
- Pre-tax profit £1.1m - UP 255%
- Earnings per share 16.7p - UP 188%
- Total dividend 7p per share - UP 30%

For a copy of the 1986 Annual Report, including a pictorial review of the Group's operations, write to: The Secretary, Atkins Brothers (Heslop) plc, Lower Bond Street, Hinckley, Leicestershire.

**Bank of India**  
London Branch  
U.S.\$40,000,000

Negotiable Floating Rate Certificates of Deposit due 1987 (Retractable at the option of the holder to 1986)

In accordance with the provisions of the above Certificates, notice is hereby given that for the 6 months from 9th July 1986 to 9th January 1987 (184 days), the Certificates will carry an interest rate of 7% per annum.

The interest payable on the next interest payment date, 9th January 1987, in respect of each US\$500,000 Certificate, will be U.S.\$17,888.89

Agent Bank: **Lloyds Bank**

NOTICE OF REDEMPTION

US\$60,000,000

**Industrias Penoles S.A. de C.V.**  
Floating Rate Notes Due 1989

Notice is hereby given pursuant to the conditions of the above Notes, the Company will, at the option of the Noteholders, redeem, at a price equal to the principal amount together with accrued interest, on the next Interest Payment Date falling in October 1989. To exercise such option the Notes are to be deposited with any Paying Agent mentioned therein between the dates 24th July, 1986 to 8th August, 1986.

Bankers Trust Company, London  
11th July, 1986

All of these Securities have been sold. This announcement appears as a matter of record only.

**SAS**  
A \$50,000,000

**Scandinavian Airlines System**  
14¼% Notes Due 1989

MORGAN STANLEY INTERNATIONAL

ALGEMENE BANK NEDERLAND N.V. BANQUE BRUXELLES LAMBERT S.A.  
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NEDERLANDSCHE MIDDENSTANDSBANK N.V. NEDERLANDSCHE CREDIETBANK N.V.

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WESTDEUTSCHE LANDESBANK YAMAICHI INTERNATIONAL (EUROPE) Limited

July 1986

INTL. COMPANIES & FINANCE

Special gains lift Mitsubishi Heavy

By our Financial Staff
MITSUBISHI Heavy Industries, the Japanese shipbuilding and engineering group, achieved a 46 per cent increase in consolidated net profits to ¥46,360m (¥41.8m) from ¥31,760m in the year to March 31, 1985...

The company made clear that the main contributor to profits was the ¥10,400m resulting from extraordinary items, including the liquidation of subsidiaries' stocks and asset disposals. This compared with only ¥1,600m last year.

At the operating level, MHI continued to suffer from the high value of the yen against other currencies since last autumn: operating income was down to ¥124,400m from ¥153,170m a year earlier.

First-half rise in BIB profits

Bahrain International Bank (BIB) lifted net income to \$11.60m in the first half of 1986 from \$7.25m a year earlier, Reuter reports. Assets fell to \$282m on June 30 from \$316m at end-1985, but marketable securities rose to \$148m from \$105m at year-end...

The improvement came mainly from the good performance of the US bond market, but the bank expects earnings to return to normal levels as interest rates stabilise. BIB forecasts profit for the full year well in excess of those for 1985, and expects to increase its dividend from the 6 per cent paid last year.

Sharp drop in earnings for Brazil's biggest bank

BY IVO DAWNAY IN RIO DE JANEIRO

BRASESCO, BRAZIL's largest banking and financial services conglomerate yesterday reported after-tax half-year profits of 1,540m Cruzados (\$110m) a reduction of Cr 570m on its operations compared to the preceding six months.

The bank declined to offer comparative figures for the same period last year however, following the February introduction of the Government's devaluation plan and the introduction of a new currency, the Cruzado.

But in dollar terms the outcome represents a substantial decline, with pre-tax profits falling from \$219m during the same period last year, to about \$150m for the six months just completed.

The accounts must be read in the light of inflation running at an annualised 500 per cent before the currency reform.

Net earnings in the latest quarter rose from \$14.6m or 31 cents a share to \$15.1m or 36 cents, although this includes a \$5.1m gain from the sale of the bank's data processing subsidiary.

According to accountants Price Waterhouse, the result represents a reduction in profits of 45 per cent in real terms, when compared to the last half year. Dividends have been cut by 65 per cent in real terms, from the equivalent of Cr 2.01 per share to Cr 1.06.

Total assets stood at Cr 1,060m at end June. Deposits amounted to Cr 52,350m of which Cr 47,460m were sight deposits. The overall surplus of credit operations was Cr 31,230m.

The bank has underlined in its report that it has not taken up any of the options to alter its accounting authorised by the government to ease the introduction of the anti-inflationary programme.

These allowed banks and finance houses to phase the inclusion of the substantial costs sustained by the changes, over three years. Brasesco has preferred, instead, to take these items on to the profit and loss account in the first year.

Profits from loan operation fell by 85 per cent in real terms to Cr 6.20m but earnings from banking charges — heavily increased by many banks since the economic adjustment — rose by 351 per cent to Cr 77m.

Brasesco's investment banking activities produced after-tax profits of Cr 394m from holdings of Cr 10,160m, a reduction of Cr 110m. The bank claimed that it was involved in nearly three-quarters of all share issues registered by the Stock Exchange Commission during the half year.

Non-performing assets rose to \$671.5m at mid-year from \$648m on March 31 and \$513.2m in June 1985. The company said the increase related "largely to loans that were put on one books in the 1979-81 era and were pushed into problem status by the sharp decline of oil prices this year."

Total loans fell to \$10.6bn from \$11.6bn in mid-1985, while deposits slipped to \$11.4bn from \$12.7bn.

Net loan charge-offs more than doubled to \$126.6m, mainly in the drilling and oil-field services sector, from \$52m in the second quarter of 1985.

Houston bank results improve

BY OUR FINANCIAL STAFF

FIRST CITY Bank Corporation of Texas, the Houston-based multibank holding company which has been hit by the problems of the state's energy industry, has reported improved profits and lower loan losses in the second quarter following a \$355.4m loss in the first three months of the year.

Net earnings in the latest quarter rose from \$14.6m or 31 cents a share to \$15.1m or 36 cents, although this includes a \$5.1m gain from the sale of the bank's data processing subsidiary.

For the first six months of 1986, the bank incurred a \$217m or \$6.90 a share loss, reflecting the \$77m loan loss provision in the first quarter. In the first half of 1985, the company, whose lead bank is First City National Bank of Houston, made net profits of \$23.4m or 44 cents.

The provision for loan losses was \$18.7m in the second quarter, down sharply from \$45.3m a year earlier. This took the loan loss reserve to \$289.5m or 2.55 per cent of total loans at June 30.

Net loan charge-offs more than doubled to \$126.6m, mainly in the drilling and oil-field services sector, from \$52m in the second quarter of 1985.

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Forest products boost Noranda

BY ROBERT GIBBENS IN MONTREAL

AN UPSWING in forest products results in Canada and in aluminium smelting and fabricating in the US helped bring Noranda into the black for the second quarter and first half of this year. The resource and manufacturing group has also been busy selling assets this year reducing its debt burden by about C\$1bn (US\$724m).

Noranda earned C\$26.8m or 12 cents a share in the second quarter against a loss of C\$14.4m a year earlier, on revenues little changed at C\$945m.

First-half earnings were C\$42.5m or 19 cents a share against a loss of C\$24.5m on revenues of C\$1,820m, also little changed. The latest six-month results include a C\$26.5m gain on the sale of assets allowing for special write-downs.

The forest products group, comprising mainly Noranda's controlling interest in Macmillan Bloedel, posted a substantial improvement because of rising pulp prices and better markets for solid wood products.

Table with columns for Second quarter 1986 and 1985, and Third quarter 1986-85. Rows include Revenue, Net profit, and Net per share for various companies like COLT INDUSTRIES, DOW JONES, and FLEET FINANCIAL.

Table with columns for Second quarter 1986 and 1985, and Third quarter 1986-85. Rows include Revenue, Net profit, and Net per share for companies like WALSHEMY Retailing, LAIDLAW TRANSPORTATION, and RUBBERMAID.

BLADDEX Banco Latinoamericano de Exportaciones, S.A. (Latin American Export Bank) U.S. \$30,000,000 Floating Rate Notes Due 1991 with Warrants to Purchase 3,000,000 Shares of 8% Cumulative Participating Preferred Stock

Company Notices BANK HANDLOWY W. WARSZAWIE S.A. Registered Office: Trausnitz 7-9 Warszawa (Poland) FLOATING RATE NOTES 1979-1989 OF US\$1,000

Obituary JAMESON, On Friday, 4th July as a result of a road accident, David Jameson of Wexford, Co. Wick, Ireland, aged 69 years, beloved husband of Marie, and much loved father of Ian and John, passed peacefully at home on Friday, 4th July 1986 at 12.30 p.m. No flowers please but donations to 'Wexford Hospice' will be most appreciated. 21 High Street, Sneyhose, Wexford, Co. Wick. Tel. 0504 565553.

BROWN BROTHERS HARRIMAN & CO. PRIVATE BANKERS NEW YORK BOSTON PHILADELPHIA CHICAGO ST. LOUIS LOS ANGELES DALLAS NAPLES LONDON PARIS ZURICH TOKYO GRAND CAYMAN GUERNSEY STATEMENT OF CONDITION, JUNE 30, 1986 ASSETS Cash and Due from Banks \$185,765,847 U.S. Government Securities 34,474,098 State and Municipal Securities 213,004,217 Federal Family Bank 15,000,000 Customers' Liability on Acceptances 16,304,836 Interest and Other Receivables 37,600,489 Premises and Equipment, net 5,674,105 Other Assets 834,784,111 LIABILITIES Deposits 881,788,549 Federal Funds Purchased 17,450,000 Acceptances, Less Amount in Portfolio 16,784,836 Accrued Expenses 18,600,573 Other Liabilities 13,162,151 Capital 24,000,000 Surplus 834,784,111 PARTNERS J. Eugene Banks Peter B. Bortick Walter H. Brown Gregory Cookman Alan Crawford, Jr. William R. Draper, Jr. Anthony T. Erdos Alexander T. Erdos T. M. Farley Brandon T. Gerry Blaridge T. Gerry Jr. John C. Hanson Noah T. Harnden Laurin Hillard III Frank W. Hoch R. L. Ireland III F. H. Kingsbury, Jr. Michael Kravitz T. Michael Long John B. Mackden John C. West Michael W. McConnell William H. Moore III Donald B. Murphy Eugene C. Ransie William F. Ray Robert V. Roosa L. Patrick Shipley Stanley P. Tomes Lawrence C. Tucker Martin van Hengel John C. West Lawrence F. Whittemore LIMITED PARTNERS W. Averil Harriman Kate Ireland Gerry Brothers & Co. Robert E. Hunter, Jr. Merchant-Straker Corporation COMPLETE BANKING FACILITIES AND INVESTMENT SERVICES

NEW ISSUE June 23, 1986 The Standard Oil Company 37,500 Oil Indexed Units Consisting of \$300,000,000 6.30% Debentures Due 2001 \$37,500,000 Oil Indexed Notes Due 1990 \$37,500,000 Oil Indexed Notes Due 1992 The Debentures and Notes are being offered in Units, each of which consists of eight Debentures of \$1,000 principal amount each, one Oil Indexed Note Due 1990 and one Oil Indexed Note Due 1992 of \$1,000 principal amount each. The Debentures and Notes will be issued only in registered form and will not be separately transferable until after July 31, 1986, or such earlier date as may be determined by the Underwriters with the concurrence of the Company. THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK \$50,000,000 Guaranteed Floating Rate Notes Due 1994 Series 91 Unconditionally guaranteed by THE KINGDOM OF DENMARK

The Standard Oil Company 37,500 Oil Indexed Units Consisting of \$300,000,000 6.30% Debentures Due 2001 \$37,500,000 Oil Indexed Notes Due 1990 \$37,500,000 Oil Indexed Notes Due 1992 The Debentures and Notes are being offered in Units, each of which consists of eight Debentures of \$1,000 principal amount each, one Oil Indexed Note Due 1990 and one Oil Indexed Note Due 1992 of \$1,000 principal amount each. The Debentures and Notes will be issued only in registered form and will not be separately transferable until after July 31, 1986, or such earlier date as may be determined by the Underwriters with the concurrence of the Company. The First Boston Corporation Lazard Freres & Co.

INTERNATIONAL COMPANIES and FINANCE

Dealers discuss radical plans for trading reforms

BY ALEXANDER NICOLL

MORE THAN 100 firms making markets in the secondary Euro-bond market...

also help satisfy requirements expected to be imposed by the UK authorities...

to deals done through inter-dealer brokers would be identified to each other...

Euromarket attracts US states

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

US STATE and local governments are turning attention to the international capital markets...

the possibility of both a Samurai issue in Japan or an Ecu issue here in Europe...

to better-rated credits," he said. It was also not a foregone conclusion that state governments would tap the Euromarket...

Moody's may lower Australia's debt rating

By Peter Montagnon, Euromarkets Correspondent

AUSTRALIAN ISSUES suffered heavy losses in secondary Euro-bond market trading yesterday...

Moody's said its review of Australia's rating was prompted by concern that the country's economic trends over the next decade...

Industrial and labour market rigidities are hampering a rapid restructuring of Australia's economy...

Japanese dominate fixed-rate sector

BY CLARE PEARSON

ISSUES of fixed-rate Eurobonds resumed yesterday, and three new dollar, and two sterling, fixed-rate Eurobonds surfaced...

price near the level of its total fees. This was despite a downturn in the Eurosterling market...

warranted were offered to the market at around 82 1/2. Daiwa Europe issued a \$500m five-year equity warrants bond...

maker. One was for its Bahamas subsidiary. Both had maturities of seven years and coupons of 5 1/2 per cent...

Chase Manhattan's \$100m seven-year offering for Creditanstalt, the partly-state-owned Austrian bank...

Morgan Grenfell however, said it believed demand for building society paper was still strong enough to support Halifax's 9 1/2 per cent coupon and 100 1/2 issue price terms...

DeutscheBank launched a zero-coupon bond for Otto International Finance, the Hamburg-based mail order group...

Algemeen Bank Nederland launched a Ft 250m public bond for Denmark. The 10-year bond has coupons of 6 1/2 per cent and an issue price of 99 1/2.

Foreign banks bolster German bond issue

BY OUR EUROMARKETS STAFF

THE WEST German government's first bond issue since foreign banks have been admitted to the underwriting consortium was launched yesterday...

feared their underwriting quotas would be eroded by the admission of the 19 foreign banks, who yesterday took up 20 per cent of the total...

higher returns available on paper issued by individual West German states, have recently combined to make a global interest to negligible levels...

widely viewed as fair, dealers reported sluggish demand yesterday. Bid prices of between 98 1/2 and 99 1/2 were quoted.

Lending growth focused mainly on short term

By our Euromarkets Correspondent

TREASURY expansion of international bank lending in the second half of last year was heavily concentrated in the short term with, on balance, no growth in business with maturities of over two years...

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on July 10

Table with columns: ISIN, Issued, Maturity, Coupon, Yield, Change, Bid, Offer, etc. Lists various international bonds.

CONVERTIBLE

Table with columns: ISIN, Issued, Maturity, Coupon, Yield, Change, Bid, Offer, etc. Lists convertible bonds.

SWISS FRANK

Table with columns: ISIN, Issued, Maturity, Coupon, Yield, Change, Bid, Offer, etc. Lists Swiss Franc bonds.

YEN STRAIGHTS

Table with columns: ISIN, Issued, Maturity, Coupon, Yield, Change, Bid, Offer, etc. Lists Yen Straight bonds.

Woolwich Equitable Building Society advertisement. Features a large 'W' logo and text: '£50,000,000 Fully Drawn Term Loan with Transferable Advances'. Lists participants: Credit Suisse, Morgan Guaranty Trust Company of New York, etc.

FINANCIAL TIMES Europe's Business Newspaper FUTURE OF WORK. Publication Date: Thursday July 24. Copy Date: Tuesday July 8. Lists contents: 1 Introduction, 2 Macro-Economic Issues, 3 The Politics of Employment, 4 Corporate Studies, 5 Role of Governments, 6 Conclusion.

Vertical advertisements on the right margin, including 'PROS', '23', 'H', 'LO', 'Self Office', 'URGE NURS', 'Let's Soft', 'Change Fleet', 'CH'. Includes a 'Self Office' logo and a 'URGE NURS' logo.

THE PROPERTY MARKET BY WILLIAM COCHRANE

BRAZIL

Prospects for investment

BRAZIL'S commercial property market has been... for years by... and the... of the... system... come of... in the... years... according to... Ellis's... man... Paulo, Tooy... McVeigh... will witness... the... of Brazil's... commercial... property... investment... market... from a... private... investor/owner-occupier... base... to an... institutional... market... he... said... in... London... this... week... "It... will... radically... alter... the... quality... of... properties... I... hope... for... the... better..."

He expects to see, for the first time ever, major involvement by the international banking community, largely due to the method by which Brazil rescheduled its international debt... essentially, he said, in 1982 Brazil's central bank took control of all private debt, whether public or private and is making repayments according to its own schedule, leaving many international banks with hundreds of millions of dollars lodged with the central bank at low return... "They could leave it with the central bank or make the famous debt to equity switch," says Mr McVeigh. One of the most easily understood ways of achieving the latter, he notes, is through investment in real estate... "I believe, consequently,

that in 1987 some of them will get involved in the property business," he says... The next line of argument is on the evolution of the institutional market. In 1978, says Mr McVeigh, legislation was enacted in Brazil giving birth to registered pension funds... "The first thing the parent companies of the funds did, he said, was to shift over from their own balance sheets various properties to become the assets of the pension funds—effecting sale and leaseback transactions almost invariably on the basis of a nominal initial monthly return of one per cent... "The monthly basis was because inflation was running at 100 per cent a year, or six per cent per month compound... Unfortunately the leases got their monetary corrections on a six-month or annual basis... Mr McVeigh calculates that the real return to the funds was around nine per cent, or 7 1/2 per cent respectively—falling as inflation rose to between six and 7 1/2 per cent on average in the early years... In those years, he says, the funds made no investment market in property... "It was all in-house... However, he observes, in 1983 they started acquiring property rented to third parties... in 1984 this trend was confirmed by several transactions involving different pension funds... "In 1984, also," he says, "it became clear that the funds' preference was for modern office property with the

occasional acquisition of part-interests in shopping centres... He says that there are relatively few investment grade office properties in Brazil... Since 1985, Ellis calculate, there have been 408 office blocks of more than 1,000 sq metres built in Sao Paulo of which 17, in their opinion, are of institutional investment quality... However, Mr McVeigh argues that it is the nature of pension funds, the world over, to stimulate the quality of office buildings—improving in general the specifications and layouts, whatever reservations he might have about architectural quality... "Summing up, he sees banks joining pension funds in the property market... "In a couple of years' time, we could see the market underpinned by two different types of institutional investor," he concludes... Meanwhile, Ellis is still tapping the private investment market, with the sale of a further office investment building in the Sao Paulo Office Park... It acted on behalf of Arbi, representing Brazilian Wirecare Rafael Birman; Brascrow, which involves US developers Trammell Crow, and Credul, the investment banking outfit of Citibank... The 3,200 sq metre building is occupied by Paliolofinas, a Brazilian company whose major shareholders are the National Distillers of the US and the Brazilian oil company, Petrobras... "It had to be done, but expanding its scheme, and proposing to expand the site to eight acres... Not all of the land is in the company's ownership; other major landowners include the local authority, and John Lewis... LET applied on Monday for outline planning permission for 350,000 sq ft of shops, arcades, housing and leisure facilities, in addition to 60,000 sq ft offices... The company already has

100,000 sq ft of offices under construction in phase one of the development, Bridge Street Plaza, which are due for completion next January... Mr Newman said that the existing planning situation is consent "in principle" for another 230,000 sq ft of offices... However, the company says that its new plan is possibly Reading's last chance to take pole position in the Thames Valley retailing field... LET sees the Courage site as an effective extension of Reading's prime retailing pitch on Broad Street... It acknowledges the congestion in the town centre, but says that its new plans would add 1,100 new car parking spaces to the existing provision, making 1,900 in total on this site alone... Local, professional reaction to the new scheme tends to be favourable... Reading, located 40 miles west of central London, has been a choice location for decentralised offices; and it is paying the price in rush hour traffic jams in and out of town... Shopping, in theory, would produce a different traffic pattern... There is an existing covered shopping centre, The Butts, which is a long-term candidate for refurbishment... But it is off-plot, say local observers, and no real competition for the LET scheme... JONES LANG WOOLTON have produced a new index of hotel values which has outperformed their commercial property index over a 15-year period... They note, however, that hotels are difficult, or risky, to invest in directly... In their latest occasional paper, JLW examine the Central London luxury hotel market up to the end of 1985, and suggest a way of minimising its investment drawbacks... They have drawn up a model proposition which recognises that the return on an hotel investment is dependent on both the real estate and the management... They suggest allowing the hotel operator to retain a limited interest in the hotel; the investor would get a suitable basic return on the investment in the real estate element, with a top up rent computed on the profitability of the operation... The firm notes, by the way, arguments that the current hotel market is "dangerously overpriced"; that purchase yields which had varied from 13 to 25 per cent over the last 15 years dropped to 10.4 per cent in 1984 and to single digits in 1985... Despite this, and fewer American visitors in 1986, they believe that the industry now has a strong base... FIFTEEN YEARS in Europe, Stephen Cotton is now based in London as a consultant to George Trollope & Sons but he still gets 70 per cent of his business from the Continent... "Proof of the pudding," as he puts it, is the Bayerische Vereinsbank acquisition for around DM 60m (E24m) of a 3,500 sq m development site at Mainzer Landstrasse 23 in Frankfurt's prime banking district from Mainzerland BV, a Dutch investment company... The site was originally put together by Gabriel Harrison's AIP in the boom years of the early 1970s... Planning permission has recently been obtained for a headquarters banking building in excess of 25,000 sq metres (270,000 sq ft)... George Trollope & Sons, and Frankfurt agents Metro-pol advised the Bayerische Vereinsbank on the acquisition... Three institutions—Friends Provident Life Office, Royal Trust Company of Canada and United Gulf—and the Department of Trade and Industry have funded a revolutionary new database run by Michael Nicholson, a chartered surveyor and former partner of Knight Frank & Rutley... No index merchant, Mr Nicholson aims through his Focus service to provide a single reference point for published information about commercial property in the UK—from sources like the press, company reports, mortgage debenture stock trust deeds, and so on... "We make no value judgments at all," he said at yesterday's London launch... Subscribers at the time of launch number about 40... Focus is published by Property Intelligence at Ingrams House, 13-15 John Adam Street, London WC2N 6LD (tel: 01-839 7884)... Debenham Tewson & Chinnock note that bank advances to property companies were only £44m in the three months to May compared with £1.9m in the year to February... They say that foreign banks are now the major force in property loans; and that a net repayment of nearly £200m over the last quarter to the overseas banks may reflect the very successful letting record in Central London, and the innovative refinancing of short term development loans on some of the City of London's major developments... Hunting Gate's 185,000 sq ft Keywest development on the Southern Industrial Estate, Bracknell, not a favourite of local observers, has been let to Dorothy Perkins, a subsidiary of the Burton Group, for a new UK distribution centre...

LET goes shopping on Reading site

LONDON and Edinburgh Trust this week dismissed suggestions that its change of plan for the Courage Brewery site at Reading — chopping the office element back, and bringing in a major retail scheme—were in any way a reaction to proposed changes in planning law... Revisions in use class legislation, now approved at Government level, would make it easier to have campus offices on the periphery of congested towns like Reading, which is admirably served by the M4, and relieve the pressure for office development in the centre... LET director John Newman said that the company had been working on its retail plan for the site for the past 18 months — "with ideas in mind before that... It acquired the site from Courage in April of last year and it had been talking to Reading's council about the retail scheme for nine months... It had to be done, but expanding its scheme, and proposing to expand the site to eight acres... Not all of the land is in the company's ownership; other major landowners include the local authority, and John Lewis... LET applied on Monday for outline planning permission for 350,000 sq ft of shops, arcades, housing and leisure facilities, in addition to 60,000 sq ft offices... The company already has

Hotels proposition by JLW

JONES LANG WOOLTON have produced a new index of hotel values which has outperformed their commercial property index over a 15-year period... They note, however, that hotels are difficult, or risky, to invest in directly... In their latest occasional paper, JLW examine the Central London luxury hotel market up to the end of 1985, and suggest a way of minimising its investment drawbacks... They have drawn up a model proposition which recognises that the return on an hotel investment is dependent on both the real estate and the management... They suggest allowing the hotel operator to retain a limited interest in the hotel; the investor would get a suitable basic return on the investment in the real estate element, with a top up rent computed on the profitability of the operation... The firm notes, by the way, arguments that the current hotel market is "dangerously overpriced"; that purchase yields which had varied from 13 to 25 per cent over the last 15 years dropped to 10.4 per cent in 1984 and to single digits in 1985... Despite this, and fewer American visitors in 1986, they believe that the industry now has a strong base...

Prime Frankfurt site acquired

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NEAR GATWICK AIRPORT 35,000 sq. ft. HI-TECH SCHEME to be developed

CORRECTION HOLLAND INVESTMENT FOR SALE All or part of the shares of a Property Investment Company whose sole asset is a brand new first class Shop and Hotel Development

CHEMICAL NEW YORK CORPORATION \$250,000,000 Floating Rate Subordinated Capital Notes due October 1997

TOOLEY STREET, S.E.1. 25,700 sq. ft. Economical light industrial building available

EXPANDING? 5,000 sq. ft Street Level Space Ideal location in Downtown Albany, New York

A Major Sale of Commercial & Residential Investment Properties For Sale by Auction on 14/15th July 1986

FOR SALE—FLORIDA INDUSTRIAL PREMISES 30,000 sq. ft. Three Floors Elevator, 5,000 sq. ft. Offices, Loading Bay, Parking Lot

UK COMPANY NEWS

Inmos provision scars Thorn EMI's performance

BY JASON CRISP

Thorn EMI's shares rose 20p to 487p yesterday following the announcement of higher than expected pre-tax profits of £104.7m, compared to £108.3m, for 1985-86.

However, after extraordinary items of £61m, tax and minority interests attributable profits were just £40,000, against a previous £37.8m.



Mr Colin Southgate, the managing director of Thorn EMI, pictured yesterday at the time of the profits announcement.

budgeted for Inmos to break even last year it in fact made a £25m loss. Losses have been continuing at a similar rate this year.

The problems in its music business took longer to solve than expected mainly because of difficulties in the US. However, the UK market had been weak with a lack of any best-selling hits.

The retail and rental business was easily Thorn EMI's most profitable division. It made profits of £97.6m on sales of £885.3m compared with £86.6m and £831.9m last year.

HMV shops had a particularly good year and expanded in the UK and Denmark. The group also reported a strong performance from its large TV and video rental chains.

At year-end group net borrowings after deducting liquid funds amounted to £337.3m (£356.6m).

During the 12 months the number of employees was reduced by 8,370 to 80,484.

Aitken's former directors under fire

By Lionel Barber

MORE skeletons came tumbling out of the closet at Aitken Hume, the troubled financial services group facing a hostile £89m bid from Transwood, a small company headed by Mr Nicholas Oppenheim.

In a second defence document sent to shareholders, Aitken Hume's new group chief executive Mr Tony Constance documented alleged mismanagement by the previous directors headed by the ousted chief executive Mr Timothy Aitken.

The disclosures are doubly embarrassing because Mr Aitken is chairman of TV-am, the breakfast television company which is currently engaged in a £16m share issue, valued the business at £42.2m.

Mr Constance made a number of what he said are well-documented allegations about management at Aitken Hume in 1985-86, answering previous criticisms by Transwood.

Under the previous finance director (Mr Michael Seery), no reconciliations were carried out between clients' statements and bank and stock records for several years.

The dividend forecast for the year to March 31 1986, prepared by previous management, did not reflect the problems which came to light after their removal.

On the property side, a new valuation produced by Chestertons and by Chestertons USA shows a market value of £14.5m at March 31 1986 compared to a book value of £17.7m.

Mr Constance said yesterday that he justified the disclosures in order to show shareholders that a new management had been installed at Aitken Hume which was determined to sort out problems.

Mr Timothy Aitken, who secured a £375,000 golden handshake when he left the company, was unavailable for comment last night at TV-am. Mr Constance rejected suggestions that the new Aitken management might try to claw back the compensation sum, but he said that some £80,000 had still to be paid to Mr Aitken.

According to Aitken's report and accounts 1986, there is an exceptional charge of £1.68m comprising the cost of "significant" management changes. The firm's accountants are Deloitte Haskins & Sells.

David Lascelles on the confusion surrounding Standard Chartered No-one's banking on a Lloyds win

SATURDAY tea-time seems an unlikely moment for Britain's largest bank takeover to reach its climax.

But 5 pm tomorrow is the deadline under the Takeover Code when Lloyds Bank must announce whether it has won or lost its £1.5bn bid for the Standard Chartered Bank.

Only a week ago, the City was predicting a clear-cut victory for Lloyds. But the contest has been thrown into total confusion in the last couple of days by the arrival of some well-heeled Far Eastern allies who have acquired about 20 per cent of Standard's shares.

This caused Standard's share price to plunge sharply on the Stock Exchange yesterday as investors began to think it might be enough to block the bid.

However, brokers also reported a fair measure of institutional support for Lloyds' offer, and no one was quite sure what the oriental investors were up to.

The leading ones are Sir Y. K. Pao, the Hong Kong shipping magnate, who ended up yesterday with nearly ten per cent, and Tan Sri Khoo, the Malaysian businessman who disclosed just over five per cent.

Many smaller Far Eastern investors are also believed to have rallied to the support of the bid. They might be seeking places on Standard's board, or even actually intending to offer their shares to Lloyds at a small profit if it wins.

That they might be acting in support of Standard's argument that it will do better as an independent bank did not seem very plausible because it could be some time before Standard's share price reaches the levels at which they bought over the last two days.

The confusion has made it hard for other institutional investors to make up their minds. Many of those contacted



Bank chief executives: Mr Michael McWilliam (left) of Standard Chartered and Mr Brian Pittman of Lloyds.

"These people do not do that kind of favour."

Theories coursed round the markets yesterday included the possibility that the investors intended to announce today which would be a prelude to break-up of Standard. The investors could then gain control of its largest components in Hong Kong and Singapore.

Less far-fetched, perhaps, they might be seeking places on Standard's board, or even actually intending to offer their shares to Lloyds at a small profit if it wins.

That they might be acting in support of Standard's argument that it will do better as an independent bank did not seem very plausible because it could be some time before Standard's share price reaches the levels at which they bought over the last two days.

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ers, Standard's merchant bank, has bought some shares, though it would not comment last night on market rumours that it had. Like many of the shares that have changed hands in the last couple of days, they were probably loose institutional holdings.

If Schroders has gone into the market, it would have to do so on its own account since Standard could not indemnify it against any losses incurred in buying its own shares.

This suggests that Schroders can only have bought a small amount, possibly calculating that if it does make a loss, it will have earned more than that in goodwill from a grateful client.

The flurry of the last two days has diverted attention from the fundamental arguments over the bid, which both sides were still trying to rehearse yesterday in last-minute meetings with institutions and the media.

But even supposing Standard does now succeed in repelling Lloyds, the events of the last couple of days will have dramatically changed the aftermath.

Sir Y. K. Pao and Tan Sri Khoo would have to be offered places on the board of the bank, and would be restless shareholders so long as they were still carrying a loss on their investment—which would put a lot of pressure on management to pep up Standard's performance.

Their presence would increase the likelihood that Standard would go ahead with its plan to have off major stakes in the board of the bank, like the banking operations in Hong Kong, Singapore and California.

Lewmar advances by £700,000

IN A YEAR of growth and consolidation, Lewmar showed a near £300,000 increase in profit to £23m. Adding this time a £207,000 exceptional gain brought the pre-tax profit up from £2.82m to £5.52m.

The company makes and distributes sophisticated equipment for sailing and cruising yachts and came to the USM a year ago. Over the last few months it completed a reorganisation into three products divisions and chairman Mr John Burton said the directors believed they had built an outstanding position from which to grow further.

Results for the year ended February 28 1986 were shown as if the subsidiaries, which were under common management for the entire year, were also owned by Lewmar for the period.

At the year end the group had cash or the equivalent of £3.8m, net of US borrowings, which put the group in a strong position to achieve the planned growth.

Interest costs trim Batleys back to £1.73m

Batleys, the Huddersfield based cash and carry wholesaler, raised its 1985-86 turnover by £26.57m to £201.76m but saw its profits fall from £2m to £1.73m at the pre-tax level.

Earnings for the 52 weeks to April 28 1986, came through at £3.32m, which was a 64c dividend of 1.7p lifts the net total from an adjusted 2.1p to 2.2p.

Operating profits amounted to £1.9m (£1.96m) but there was an interest debit this time of £201,000, compared with a previous credit of £138,000.

The accounts for 1985-86 (£174,000) left left attributable earnings at £1.19m (£1.23m). First half profits fell by £195,000 following the start-up costs of the new Manchester warehouse.

Recovery at Stoddard quickens—£1.5m sale

THE RATE of profit improvement at Stoddard Holdings, carpet making group, gathered pace, with the pre-tax profit for the year ended March 31 1986 rising to £290,000 compared with a loss of £558,000.

For the sixth successive year no dividend will be paid. But despite the improvement in profitability being maintained, the directors will review the dividend position at the end of the current year. Sales for the first quarter were close to plan and generally ahead of last year.

Despite the absence of growth in the UK carpet market over the past three years, Stoddard completed the recovery programme started in summer 1983, and results were in line with plan.

The directors attributed the recovery principally to a policy of margin improvement and elimination of unprofitable products, an aggressive marketing and promotion programme, and

improving manufacturing efficiencies.

Turnover for the year rose from £33.7m to £37.14m and operating profit from £139,000 to £1.19m. Finance charges were up to £217,000 (£288,000).

Some of those benefits, which were mainly in the woven and premium tufted carpets part of the operation, were offset by disappointing results at the lower end of the market. Overall, however, the operating margin grew from virtual break-even to over 3 per cent of sales.

The company has conditionally agreed to sell Kingsmead Carpets to Richards for around £1.5m cash subject to Richards' shareholders approval. The directors considered this would enable group management to devote attention entirely to those markets and products offering maximum profitability and opportunity.

At the year end the group had cash or the equivalent of £3.8m, net of US borrowings, which put the group in a strong position to achieve the planned growth.

Microsystems surges by 87%

PRE-TAX profits at Microsystems Group, which joined the USM in January, jumped 87 per cent from £806,000 to £1.5m in the half year ended April 25 1986.

Turnover of the group, which makes bus ticket machines, taxi meters and other electronic products, leapt 85 per cent to £5.91m (£3,098m). In the previous 12 months ended October 1985, Microsystems made £1.4m profits on £7.55m turnover.

With first-half earnings per 10p share up from 3.5p to 6.49p, there is a first interim dividend of 0.75p net.

Mr C. M. Wilson, the chairman, said yesterday that the board was investigating a number of opportunities and these, if fruitful, should contribute to the further growth of the company.

In addition to the proceeds of the flotation, the group had achieved a very substantial inflow of funds and was therefore, "in a very healthy cash position," Mr Wilson said.

The chairman said the performance of the Wayfarer ticket system division had been outstanding, with substantial contracts having been won from a number of large bus companies, particularly London Regional Transport. Trials of the new magnetic validator system were due to begin in the autumn and, if successful, should result in significant orders.

Microsystems was making substantial investments in the further development of new products for both home and overseas markets.

More recently the company had received instruction from London Buses for a further 2,700 Wayfarer BS350 high speed electronic ticket machines for use on one-man-operated buses. The equipment was for delivery later this year and valued at about £2.4m.

This new requirement followed on from the earlier order for equipment valued at some £1.5m, for delivery later this year.

Sales of microtime products had continued to grow at a good rate overseas, while recently a direct sales team in the UK had been established.

The new Sheriff Plus Taxi-meter had been successfully introduced, although it was too early to assess its impact on the market. Steps were being taken to develop overseas markets for this product.

Advertisement for Baker Harris Saunders, City Property, featuring a large graphic of a building facade.

PRIESKA COPPER MINES (PROPRIETARY) LIMITED

(Incorporated in the Republic of South Africa) Reg. No. 68/0302/07

Declaration of Final Ordinary Dividend No. 6

The following dividend has been declared for the year ended 30 June 1986: Final ordinary dividend No. 6 of 30 cents per ordinary share.

The dividend has been declared payable to members registered in the books of the Company at the close of business on Friday, 25 July 1986.

The dividend is payable subject to conditions which can be inspected at the registered office of the Company. Warrants in payment of the dividend will be posted on or about 29 July 1986.

By Order of the Board Registered Office: Anglovel House, 56 Main Street, 2001 Johannesburg (P.O. Box 62377, Mafatlalown, 2107).

Advertisement for Lombard North Central, 17 Bruton St, London W1A 3DH, featuring interest rates for 14 Days Notice and Cheque Savings Accounts.

Table with financial data including High Low, Company, Price Change, Gross Yield, P/E, and Fully.



UK COMPANY NEWS

ISSUE NEWS

London United in £24m rights to expand Walbrook

London United Investments is launching a second rights issue of £24m over a year...

significantly higher level of premium income. Mr Charles Driver, chairman and chief executive...



The issue is of 7.35m shares on the basis of one for two at 33p each...

In June 1986, London United launched a £7m rights issue at investors — a one for four at 25p — to raise funds for ICI...

gramme and promised that London United would not need another rights for at least five years.

The directors now believe that a substantial increase in Walbrook's capital would enable the group to benefit from current strong market conditions allowing it to underwrite a

Harrison Industries valued at £18m

By Richard Tomkins

Harrison Industries, a holding company which main activity is making industrial doors, today publishes the prospectus for an offer for sale which will give it a market capitalisation of £17.6m.

Mr Ken Harrison, the merchant bank is offering 3.3m shares — about 28 per cent of the enlarged equity — at 150p a share...

Mr Ken Harrison, the group's 56-year-old chairman, founded Harrison Industries in 1971 after breaking away from another industrial door manufacturer...

More recently, a power transmission division was set up in 1983 to produce complete electric motor systems...

Anglia Homes USM placing

By Richard Tomkins

Anglia Secure Homes today follows The Shield Group as the second bidder to join the unlisted securities market in the past few days...

cent of the enlarged equity, at 115p a share. Nearly all the proceeds are going to the company and will be used to buy more sites for development.

Like the fully-listed McCarthy & Stone, Anglia specialises in building sheltered housing for the elderly...

Anglia began business in 1982 and has so far sold 136 sheltered units on four sites.

Cayzer and Phillips & Drew, joint brokers to the issue, are placing 2.6m shares, or 28 per

cent of the enlarged equity, at 115p a share. Nearly all the proceeds are going to the company and will be used to buy more sites for development.

Full listing for Stanley Leisure

Stanley Leisure Organisation is joining the main market following a placing of a quarter of its equity valuing the betting shops and casinos group around £12m.

Leonard Steinberg, chairman, started the company with two betting shops in Belfast in the late 1960s. Today Stanley operates 117 shops and four casinos.

Handros Bank has arranged the placing of 2.72m shares at 110p each to raise around £3m. Of that 230,000 shares are new equity to inject £900,000 into the company...

In the last financial year to April 1985 profit from the racing division amounted to £1.22m while the casino operation chipped in £711,000.

largest chain in the UK operating under the Stanley Racing banner. There are 53 shops in Merseyside, 22 in the Midlands, 20 in Yorkshire, 14 in Northern Ireland and three in the Isle of Man.

Of the £5m being raised, half will go to existing shareholders (£947,000) of it to Mr Ken Harrison leaving £2m net of expenses for the company. This will boost working capital and help cover £1.2m of capital spending planned this year.

Fletcher Denny joins unlisted market

By Philip Coggan

Fletcher Denny Systems, a microcomputer systems dealer founded by former ICL employees, is joining the USM via a placing of 1.5m shares, 27.5 per cent of the capital, at 70p each.

trend by concentrating on supplying IBM equipment and by emphasising customer services, which the group hopes to increase from 17 per cent of turnover last year to 33 per cent long term.

Microcomputer dealers have not performed well of late but Fletcher Denny has bucked the

The group's customers, which include major companies like British Airways and Trusthouse Forte are encouraged to sign preferred purchase agreements by which they agree to buy a set amount of equipment over a period of time, in return for

a negotiated price. In the year to March 31 1986, the group earned £403,000 pre-tax on turnover of £8.98m which after the actual tax charge of 40 per cent, puts the shares on a p/e ratio of 14.9.

The shares are being placed by Capel-Cure Myers and dealings will start on July 17.

The consequent shakeout in the sector as some companies withdrew has meant that the recent upturn has become magnified for the remaining players, including Walbrook, thanks to substantial premium increases.

The new money raised from shareholders, together with £10m additional share capital subscribed by the parent company will increase Walbrook's capital and reserves to over £52.5m compared to £19.5m at the end of last December.

With the cash call comes the promise of a 15 per cent increase in dividends per share for the current year. The directors intend to pay a 6.5p interim dividend followed by a 10.75p final. Last year the payout was 15p, by 2p to 15p on profits 52 per cent up at 29.4m.

The issue has been underwritten by Morgan Grenfell and brokers are Cazenove. See Lex

Birmid Qualcast profits exceed City estimates by almost £1m

FIRST HALF pre-tax profits from Birmid Qualcast exceeded the market's estimates by almost £1m.

The profit, for the six months ended May 31 1986, rose from £3.88m to £6.14m, reflecting increased demand in central heating. Initial benefits of rationalisation in the foundries, and a satisfactory start to the lawn mower season. Succeeding weeks continued to show good results. Turnover fell from £11.8m to £10.9m.

Operating profit advanced by £2.2m to £7.06m while net interest payable was reduced by £258,000 to £537,000. After tax £1.1m (£800,000) net profit came to £5.04m (£3.08m), producing earnings of 7.8p (4.7p) per share. Chairman Mr R. E. Macpherson reiterated the expectation that results would show a closer similarity

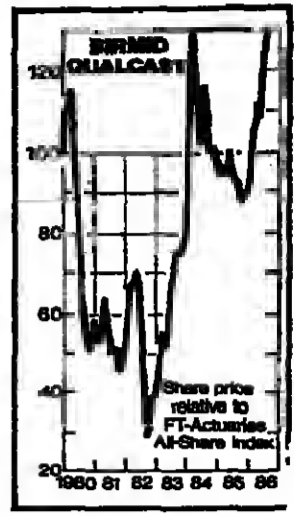
between the two halves of the year. For the year ended November 2 1985 the group produced turnover of £204.75m and a pre-tax profit of £10.06m. There was also extraordinary charges of £4.2m.

Following the policy of lessening the disparity between interim and final dividends over a period, the interim payment is raised from 0.75p to 1.25p net — last year's final came to 3p.

comment

After years of cost cutting and closures Birmid Qualcast has finally eliminated the last, lingering losses in its foundry division and in 1985-86 all the foundries produced a profit for the first time in the 1980s. Nonetheless consumer goods—which

provide 50 per cent of turnover but 75 per cent of profits—is now established as the core growth area and it is in this sector that future diversification plans will be directed. The heating division, which was hit by the imposition of VAT in early 1985, has now recovered momentum. While home and garden products have been buoyed by the introduction of the boiler lawnmower, Birmid's shares have risen steadily in the last year or so and rose again, by 3p to 150p, yesterday. The City expects profits of £13m for the full year producing a prospective p/e of 9.5 which offers some scope for further growth. With cost cutting and closures firmly behind it, Birmid is now eager to grow again and is scouting about for acquisition opportunities in the consumer goods sector.



Golden Dumps (PROPRIETARY) LIMITED

(Reg. No. 77/0091307)

Reports of the directors for the quarter ended 30 June 1986

CONSOLIDATED MODDERFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa) Issued share capital: R1 072 000 Divided into 21 440 000 ordinary shares of 5 cents each

Table with 4 columns: OPERATING RESULTS, Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include Ore milled, Gold recovered, Yield, Revenue, Working profit, Gold price received, Working costs.

Table with 4 columns: FINANCIAL RESULTS (R000), Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include Revenue from gold and silver, Working costs, Working profit, Sundry revenue, Operating profit, Net interest received, Net profit before taxation, Provision for taxation, Net profit after taxation, Capital expenditure, Dividends.

Table with 4 columns: DEVELOPMENT, Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include North-East Prospect Shaft, Advanced-metres, Sampled-metres, Payable-metres, Channel width, Average value, No. 14 Shaft, No. 1 Circular Shaft.

CAPITAL EXPENDITURE The unexpended balance of capital expenditure voted by the board amounted to R662 000 at 30 June 1986.

DIVIDEND The notice of declaration of dividend No. 89 accompanies this report. T. L. GIBBS L. C. POURQUIUS Directors 11 July 1986

SOUTH ROODEPORT MAIN REEF AREAS LIMITED

(Incorporated in the Republic of South Africa) Issued share capital: R5 000 482 Divided into: 1 662 715 ordinary shares of 56 cents each 8 438 145 10% automatically convertible participating cumulative preference shares of 56 cents each

Table with 4 columns: OPERATING RESULTS, Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include Ore milled, Gold recovered, Yield, Revenue, Working costs, Working profit, Gold price received, Working costs.

Table with 4 columns: FINANCIAL RESULTS (R000), Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include Revenue from gold and silver, Working costs, Working profit, Sundry revenue, Dividends received, Operating profit, Net interest received, Net profit before taxation, Provision for taxation, Net profit after taxation, Capital expenditure, Dividends.

Table with 4 columns: DEVELOPMENT, Quarter ended 30.06.1986, 31.03.1986, 30.06.1985. Rows include Ventersdorp Contact Reef, Advanced-metres, Sampled-metres, Payable-metres, Channel width, Average value, Kimberley Reef, Advanced-metres, Sampled-metres, Payable-metres, Channel width, Average value.

CAPITAL EXPENDITURE The unexpended balance of capital expenditure authorised by the board at 30 June 1986 was R5 054 000.

ORDINARY DIVIDEND The notice of declaration of dividend No. 63 accompanies this report.

PREFERENCE DIVIDEND The declaration of preference dividend No. 9 includes the preference dividend of 4 cents per share for the period to 30 June 1986 and a participating dividend of 33 cents per share. H. S. MILLER L. C. POURQUIUS Directors 11 July 1986

DECLARATION OF FINAL DIVIDENDS

Notice is hereby given that final dividends in respect of the financial years ended 30 June 1986 have been declared by the undermentioned companies, payable to members registered at the close of business on Friday, 25 July 1986. The registers of members of the companies will be closed from 26 July 1986 to 3 August 1986, both days inclusive.

Table with 4 columns: Company, Class of share, Dividend No., Amount per share (cents). Rows include Consolidated Modderfontein Mines Limited, South Roodport Main Reef Areas Limited.

Registered office and transfer secretaries GOLD EQUITY REGISTRARS (PTY) LIMITED Reg. No. 649032/7 3rd Floor, Auction House 111 Fox Street, Johannesburg 2001 P.O. Box 62186, Marshalltown 2107

By order of the Board GOLD EQUITY REGISTRARS (PTY) LIMITED Secretaries per: J. L. Freedom 11 July 1986

Windsmoor offer oversubscribed

The offer for sale of shares in Windsmoor, the fashion house seeking a full listing, seemed likely last night to have been oversubscribed two or three times, with applications received for approaching 17m shares compared with the 6m on offer.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-divisions shown are based mainly on last year's timetable.

Table with 2 columns: Company, Date. Rows include British Home Stores, Canadian Pacific, Grantliffe Investment, Imperial Chemical Industries, River and Mercantile Trust, Rottel, South African Land and Estate, Trade Indemnity, Veeal Reef Exploration and Mining, Vantage Securities, Western Deep Levels, Orica, Goring Kerr, London Trust, Maracra House, Stormgard.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. A proportion of the shares now being placed may be available to the public through the market before 3.00p.m. today.

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the ordinary shares in the Company on the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to the Official List. It is expected that dealings will commence on 17th July 1986.



The Group is engaged in the design, construction, sale and management of quality private sheltered housing for the retired.

Placing by Cayzer Limited and Phillips & Drew of 2,608,695 ordinary shares of 10p each at 115p per share

SHARE CAPITAL

Table with 3 columns: Authorised, Issued and to be issued and fully paid, Future DATES. Rows include £1,200,000 in ordinary shares of 10p each, £924,228.

Particulars regarding the Company are available in the Excl Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on weekdays (except Saturdays) up to and including 25th July 1986, from:

Cayzer Limited 2 St. Mary Axe London EC3A 8BP Phillips & Drew 120 Moorgate London EC2M 6XP

11th July, 1986

UK COMPANY NEWS

Plessey warns MoD over GEC bid

BY GUY DE JONQUIERES

A TAKEOVER of Plessey by the General Electric Company would create a group with "massive market dominance"...

The Monopolies and Mergers Commission is due to report to the Government this month on the £1.16bn hostile takeover bid for Plessey which GEC launched last year.

The number of British competitors in land tactical communications systems would be reduced to two, while a combination of GEC and Plessey would provide about 80 per cent of secure communications equipment.

Large private branch telephone exchanges (PABXes) and road traffic control systems. Sir John said Plessey was big enough on its own to compete internationally and needed neither GEC's cash resources nor its management style.

Hampton Areas concedes defeat in Metals bid fight

BY KENNETH MARSTON, MINING EDITOR

Hampton Gold Mining Areas, the UK-based natural resources group, yesterday conceded defeat in its first against the takeover bid from Metals Explorations, the Australian company headed by Mr Alan Bond.

Assets were mainly in freehold land, and gold mining rights in the Kalgoorlie area of Western Australia.

For many years the company languished in investment terms until attracting speculative interest - among many other mining companies - during the "Fossilium" nickel exploration boom of the late-1980s.

But it did acquire an ongoing income in the form of royalties from Western Mining from nickel mining operations carried out on part of Hampton's properties.

Hampton's board and advisers, Samuel Montagu, now strongly recommend acceptance of the bid, which has gone unconditional and remains open until further notice.

Metals' victory has been accompanied by requests for resignations and appointments on the Hampton board. Mr George Livingstone-Learmonth, Hampton's managing director, has resigned and Mr I. A. N. McIntosh will also resign as a director.

Hampton was incorporated in the UK in 1920 as a reconstruction of older companies. Its

Philip Harris acquisition will widen market area

Philip Harris (Holdings) yesterday announced its best pre-tax profit for five years, and unveiled plans to further penetrate markets in the south east of England through a £1.73m cash acquisition of Scientific Supplies Company.

The Staffordshire-based Philip Harris increased taxable profits in the year to end-March 1986 to £1.06m, which was retained by £398,000 of exceptional had debt provisions and compared with the previous year's £654,000 profit.

Philip Harris, an equipment and materials supplier to the scientific, educational and medical markets, last made over £1m pre-tax in the 1979-79 year when profits reached a record £1.15m.

Mr John Haller, the chairman, said yesterday that despite the exceptional items, relating to problems with a debtor of the medical business, the short and medium-term prospects for the group are bright.

Agreed £7m offer for Midland Marts

Oyston Estate Agency, the biggest privately owned estate agency business in the country and seventh largest overall, has made an agreed cash offer of £6.5m for Midland Marts, the livestock auctioneer and estate agency business.

The offer of 190p a share represents a 25 per cent premium over the price at close of business on Wednesday and had been "irrevocably" accepted by directors, ex-directors and employees of Midland Marts speaking for 94.5 per cent of the share capital.

Oyston is owned by the family interests of Mr Owen Oyston, the company's chairman and managing director, who founded the business in 1965. Its strategy is to expand its estate agency activities out of its base in the North-West and into the Midlands.

The company has recently reached agreement with Royal Life Holdings under which Royal Life will acquire a substantial minority stake - probably over 30 per cent.

Midland Marts saw pre-tax profit slip by 28 per cent to £233,000 in the year to January 31, 1986 on turnover of £4.43m. Its share price yesterday rose 77p to close at 189p.

Egerton rises sharply and sees healthy growth ahead

Mr Frank Sanderson, chairman of Egerton Trust, said yesterday that the company was shaping up well in its new form and that it was on target with its expansion programme.

He revealed that Egerton had development programmes in place which would start to produce profits late this year and in 1987.

The company is basically a nursing home developer and manager and for the opening six months of the 1986 year it raised its profits from £413,000 to £647,000 at the pre-tax level.

However, Mr Sanderson added a note of caution, pointing out that due to heavy investment the results of the current six months may not match those of the first half.

He said the main profits flow from current prospects would come in 1987 and onwards. The company's development programme would require an increase in its capital base and accordingly, a rights issue and placing of convertible preference shares was being planned.

Details will be circulated to shareholders shortly. Turnover for the opening six months pushed ahead from £2.5m to £3.1m and at operating level profits rose by £133,000 to £302,000 - the company was formerly known as Caparo Properties.

The profits include those of Beaumont Medical Services and Dental Holdings. Both companies were acquired last February.

Earnings worked through at 3.44p (3.16p) and the interim dividend is being stepped up from 0.2p to 0.3p net.

The principal contributor to first half profits was the private housebuilding activity. Nursing homes and property investment also made profits but sheltered housing showed a small loss, which the directors said represented the setting up costs.

Beaumont Medical Services, the company's health care division, had recently acquired three fully operational nursing homes in the South of England and a site for development in Prestbury, Cheshire. Other purchases were planned.

Ruskin Homes, recently formed to develop high quality retirement housing, already had a scheme for 64 apartments at Welling, Kent, underway and another scheme for 60 flats in Hertfordshire was currently in place for detailed planning approval.

Egerton's housing division, Denhurst Homes, had successfully completed developments this year at Staplehurst and Sevenoaks in Kent. Planning permission was obtained to develop some 150 homes at Padlock Wood, Kent, and another small scheme nearby at Frenchley. Both developments would

start on site shortly. Mr Sanderson summed up: "We have assembled a young and lively management team which has already put us on course for very healthy growth."

comment New chairman Frank Sanderson had revamped the old Caparo Properties and is in the process of creating a new vehicle, which will concentrate mainly on building and managing nursing homes for the elderly.

Like many others, including Anglia Secure Homes, currently jointing the USM, Egerton has spotted the growth potential for sheltered housing. The problem at the moment is raising capital to fund the development schemes.

The four acquisitions cost around £2.5m and the cash surplus Sanderson brought to the company has now been used up. Hence the need for a rights issue in the second half. Property investment and private housing will continue to provide the bulk of the profits in the second half but nursing homes and sheltered housing will provide the surge in earnings.

The £1m loan feasible for the full year and, on a tax charge of 35 per cent, the shares, at 114p are on a p/e of 24. That seems a little high compared with the 15.9 p/e in Anglia is coming to the market.

During the year, two companies within the group have formed divisions and their operations based upon profit centre identified by product and the associated technology. This resulted in increased revenue and contributed to improved margins.

Exports increased in the year from 25 per cent to 32 per cent of turnover.

GRA profits jump to £0.55m

A steep rise in pre-tax profits, from £54,000 to £345,000 in the six months to end-April 1986, was achieved by GRA Group, greyhound racing organiser.

The directors attributed the increase in both profits and turnover - up from £4.1m to £5.12m - largely to the changes in legislation referred to in the chairman's statement, which enabled the company to effect a policy of racing regularly three times a week at all its stadia.

Although the benefits would continue throughout the year, the board did not expect similar improvement in the second half. However, they said that trading continued at a satisfactory level, and they were confident that the out-turn would be well ahead of the previous year.

The directors were continuing to seek planning permission for the proposed developments at Harrington, Slough, White City, Metchley, Northway and Shawfield, they added, in anticipation of a successful outcome, alternative sites for greyhound racing were being sought.

For this half the company's operating profit rose from £228,000 to £481,000 and the pre-tax result was after a rise in interest received to £37,000 (£28,000).

Tax was up from £27,000 to £208,000 to leave earnings per 5p share of 0.79p (0.09p) before extraordinary items, and up from 0.24p to 1.66p after. An extraordinary profit of £379,000 (£78,000) arose from the sale of 12 houses on the former training site at Northway.

The directors intend extending the current financial period to end-December 1986 to reflect more appropriately the company's trading pattern. A final dividend payment will be considered at the appropriate time, they stated.

Bid for Martin Ford fails

Iridium Investments, the consortium of fashion retailers and property developers, has failed in its agreed £11m bid to acquire Martin Ford, the loss-laden ladies wear retailer.

Iridium's offer of 10p per share was accepted by only 3.9 per cent of Ford's shareholders, giving the consortium a 38.9 per cent stake in the company. Iridium already owned 33 per cent of Ford's equity - part of the 56.3 per cent stake sold by members of the Ford family. Ford's shares rose 1p, to close at 69p.

In the meantime directors recommend that they take no action.

CITY SITE ESTATES, property investment company, raised £218,800 in half year to March 31 1986. Profits, however, fell to £84,519 (£303,530) pre-tax.

Alexanders upturn

Following its return to profitability in the second half last year, Alexanders Holdings, Ford main dealer, made a pre-tax profit of £127,000 for the six months to March 31 1986 against a £49,000 loss last time. Net assets were £3.5m higher at £28.7m.

Suter stake

Suter, the acquisitive manufacturing and distribution group, yesterday announced it has acquired a 6.96 per cent stake in Thermax Holdings, the maker of tough-wear glass products. On Wednesday, Suter sold its 27.7 per cent stake in F. H. Lloyd Holdings.

SHERWOOD COMPUTER Services

Sherwood Computer Services has agreed to acquire Louisa Data Centres for £500,000, payable as to £500,000 in cash at completion, and £100,000 on March 31 1987. Louisa provides a computer disaster standby service to large company users. Net assets of Louisa at December 31 1985 amounted to £54,000, and in the year to that date, pre-tax profits were £55,000 on turnover of £398,000.

Jones Stroud profits advance to over £4m

Jones Stroud (Holdings), maker of materials and accessories for the textile and electrical industries, raised pre-tax profits by 19 per cent from £3.52m to £4.19m for the year ended March 31, 1986, on turnover up a marginal 1 per cent to £42.07m, against £41.53m.

Adjusted annual profits did not rise in the same proportion as in the first six months, when a pre-tax figure up 31 per cent at £2.02m, compared with a disappointing £1.54m previously.

The directors said yesterday that trading results for the current year were in line with expectations and it was anticipated that profits for the year would exceed those now reported.

The final dividend is raised to 5.5p (4.5p) making a net total up from 7p to 8.5p. Earnings per 25p share before extraordinary items were 41.15p (39.95p) before tax and 25.84p (21.81p) after tax.

At the trading level, profits increased from £3.52m to £4.19m. Associated contributions added £89,000 (£824,000) but net interest payable took £275,000 (£219,000).

After tax of £1.69m (£1.4m), preference dividends and an extraordinary charge last time of £120,000, attributable profits came out ahead from £1.9m to £2.36m. Ordinary dividends absorb £786,000 (£647,000).

Basketball footwear sales boost Reebok profits

SECOND QUARTER figures to June 30 1986 from Reebok Int'l, an associate of Pentland Industries, showed income before tax soaring from US\$14.31m to \$24.76m, bringing the total for the half year to \$114.47m, against \$23.32m.

Transferring these into sterling gave a pre-tax profit of £22.5m (£9.8m) and net attributable to Reebok of £21.38m (£4.93m) for the quarter, using a rate of \$1.5225 (£1.4455).

The directors said yesterday that trading results for the current year were in line with expectations and it was anticipated that profits for the year would exceed those now reported.

Kleen-E-Ze up to £0.6m

SECOND-HALF pre-tax profits at Kleen-E-Ze Holdings increased from £163,716 to £497,990, and figures for the full year to March 31, 1986 advanced from £260,000 to £1.02m. The final dividend is raised from 4p to 5p net for a total up from 5p to 6p.

Turnover of this Bristol-based manufacturer of energy-saving devices, brushes and cleaning products, rose from £18.15m to £16.08m, but both cost of sales and distribution costs were higher at £5.65m (£7.22m) and £4.55m (£3.88m) respectively.

Administration costs took £1.44m compared with £1.57m, net operating income improved from £250,000 to £1.02m, and interest payable and similar charges were £401,000 against £360,000. Last time, there were losses of £22,000 of a related company.

State earnings per 25p share were 15.05p (6.01p) on a net basis.

The directors said results had been achieved through an

Penny & Giles to seek full listing

Penny & Giles International, the USM electronic instrumentation group, yesterday reported a 22 per cent rise in 1985-86 pre-tax profits to £1.1m. The firm said it intended to apply for a full listing.

Pre-tax profits for the 12 months ended March 31 increased from £1.24m to £1.5m, on turnover up 12 per cent to £15.92m (£14.17m). The directors said they looked forward to another year of progress.

Earnings per 25p share were up from 8.50p to 10.20p, and the final dividend is 1.5p for a total of 2.15p (1.85p) net.

Net assets increased from 67p to 75.1p per share.

During the year, two companies within the group have formed divisions and their operations based upon profit centre identified by product and the associated technology. This resulted in increased revenue and contributed to improved margins.

Exports increased in the year from 25 per cent to 32 per cent of turnover.

Northamber up 53% at year-end

A 53 per cent increase from £1.21m to £1.85m in pre-tax profits for the year to April 30 1986 was yesterday reported by Northamber, supplier of computer printers and peripherals, in its first figures since gaining a full listing on the London Stock Exchange last December.

The dividend was increased by 30 per cent from 1p to 1.3p net, and stated earnings per 5p share were 13.8p on enlarged capital against a restated 8.9p.

Mr D. M. Phillips, the chairman and managing director, said the printer market continued to grow and it had continued to achieve very satisfactory increases in both profit and revenue in that area during the year.

Looking ahead, Mr Phillips said he felt that there remained considerable potential to expand within its customer base and range of products carried. There would be continued heavy investment in further development of the enlarged infrastructure, stocking levels and personnel which would be necessary to enable the company to take full advantage of growth opportunities.

Turnover for 1985-86 rose from £18.12m to £21.63m.

COMPANY NEWS IN BRIEF

Considerable costs were incurred following purchase of a number of properties. Benefits will show through in second half. Interim dividend 0.47p (0.41p).

ATRS Resources has won control of Wemyss Investment Trust having won acceptances from shareholders controlling 93 per cent of the share capital. Prior to its offer, ATRS owned 67 per cent of Wemyss and thus now owns 60 per cent.

TEKAS GAS Exploration (UK) said a wholly-owned subsidiary of CSX Corporation, TG's parent company, purchased 190,000 ordinary shares in Industrial Scotland Energy, at £9p each. As a result, TG now controls 81,824 ISE shares (3.6 per cent).

BROWNLEE, the Glasgow-based timber and builders' merchant, bid approaches two unsolicited offers for its shares. The bid either will lead to an offer to 3.5p net for a higher total of 5p (4p). The strong growth in the second half had been maintained and the directors were confident that it would be sustained in the current year. Turnover for the year was up from £33.78m to £38.31m, and trading profits increased from

£2.61m to £2.96m. Stated earnings per share were ahead at 12.51p (10.95p).

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also taken an option to buy the remaining 50 per cent of Epleure's holding for £400,000 within the next five years, and he intends to refinance Epicure Investments.

BELHAVEN BREWERY has been informed by Mr N. G. Virani on behalf of Virani Group UK that Vouki has sold 4m ordinary shares in Belhaven (15.9 per cent) to Establishment North, a Geneva-based company, beneficial owners of which are members of the Shohet family. Vouki now owns 2.33m ordinary (9.06 per cent) and the Vouki executive pension scheme owns 140,000 ordinary.

CHARTERHALL'S shareholders at an EGM voted overwhelmingly in favour of resolutions to enable the subscription by Wyson for 95m new ordinary shares in Charterhall to take place. After the EGM, the subscription was completed by allotment and issue to Wyson of the shares (53.3 per cent of enlarged capital). Mr Goward was appointed managing director and Mr M. Loome appointed a director. Mr M. Shepherd retired from the board.

Northamber plc Leading Distributor of Computer Printers, Peripherals and Data Communications Equipment 53% Profit Increase

The Fleming Far Eastern Investment Trust plc

Results for Year to 31st March 1986 1985 % Change Net Assets £221.4m £170.8m +32.6

The Trust's Objectives To invest in Far Eastern stock markets aiming at total return, primarily from capital appreciation rather than income.

If you would like a copy of the Annual Report and details of The Fleming Trust's Dividend Reinvestment and Savings Scheme please send the coupon back to the Secretary, Robert Fleming Services Limited, 25 Copthall Avenue, London EC2R 7DR.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Payment, Dividend, Total Payment, etc. Includes Bataley, Birmid Quacast, City Site, etc.

Considerable costs were incurred following purchase of a number of properties. Benefits will show through in second half. Interim dividend 0.47p (0.41p).

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FT UNIT TRUST INFORMATION SERVICE

EQUITIES

Table of equity prices with columns for Name, Price, Change, and other financial metrics.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Name, Price, Change, and other financial metrics.

"RIGHTS" OFFERS

Table of rights and offers with columns for Name, Price, Change, and other financial metrics.

AUTHORISED UNIT TRUSTS

Main table of authorized unit trusts, organized into columns by fund name, price, and other details.

Advertisement for 'Can Europe catch up?' featuring a bound reprint of articles.

F.T. Crossword Puzzle No. 6,070

Crossword puzzle grid with clues for Across and Down.

Solution to the crossword puzzle, including the puzzle number 6,069.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including names, addresses, and performance metrics.

INSURANCES

Table listing various insurance companies and their associated unit trusts, including details like company name, address, and contact information.

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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds with columns for fund name, price, and change.

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Table listing various insurance and overseas funds with columns for fund name, price, and change.

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

Table listing various management services and offshore/overseas funds with columns for fund name, price, and change.

Table listing various management services and offshore/overseas funds with columns for fund name, price, and change.

Table listing various management services and offshore/overseas funds with columns for fund name, price, and change.

Table listing various management services and offshore/overseas funds with columns for fund name, price, and change.

Money Market

Table listing money market funds with columns for fund name, price, and change.

Money Market Bank Accounts

Table listing money market bank accounts with columns for bank name, interest rate, and other details.

TRADITIONAL OPTIONS

Table listing traditional options with columns for option name, price, and change.

NOTES

Text providing information and details regarding the listed options.

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COMMODITIES AND AGRICULTURE

Chernobyl lamb controls reduced

BY MAX WILKINSON, RESOURCES EDITOR

MR MICHAEL JOPLING, the UK Agriculture Minister, yesterday announced that restrictions on the movement and slaughter of lambs are to be lifted in a further part of Cumbria.

Three times the level which triggered action by the ministry to prevent lambs coming to the market, most scientists consider that even the higher levels now being recorded are below those which would represent a serious health risk.

British housewife had shown confidence in lamb with prices this week "rather higher" than at the same time last year.

The NFU has told Mr Jopling that it is too early to estimate the extent of the loss which farmers will eventually suffer.

Cocoa pact hopes rest on Ivory Coast

BY WILLIAM DULLFORCE IN GENEVA

THE IVORY COAST agriculture minister, Mr Denis Bra Kanon, was due to fly into Geneva yesterday evening where he may well decide the outcome of the negotiations on a new International Cocoa Agreement.

Richard Thomas, their spokesman, said. The two sides decided yesterday to extend the conference into next week, setting Wednesday as a deadline for assessing "future action."

It is evident that the consumer's proposal would permit under normal market conditions fairly frequent price adjustments. The Ivory Coast is understood to want an agreement allowing for no more than one price adjustment a year in addition to that permitted at the annual review.

The EEC Commission may be able to juggle the elements in the price adjustment package but Community countries such as Britain, West Germany and the Netherlands are unlikely to accept a mechanism that would take prices too far away from market realities.

US copper workers agree pay cuts

BY DAVID OWEN IN CHICAGO

US COPPER workers at Kennecott and Asarco have approved new labour contracts which will reduce overall remuneration packages considerably.

The deal should enable Kennecott to continue with its Utah copper division, including the highest open cast copper mine in the world at Bingham Canyon.

The three year Asarco agreement provides for an average cut in hourly wages of \$2.67 per hour. Reductions will be steepest during the first year of the contract, when wage cuts will total \$3.50 per hour.

Oil prices up in US, down in Europe. By Lucy Kellaway. OIL PRICES on either side of the Atlantic moved in opposite directions yesterday, with prices of Brent falling and prices of West Texas Intermediate rising.

John Elliott on efforts to boost domestic milk production India's controversial dairy revolution

THE EEC is expected to decide in the next few months to provide 75,000 tonnes of skimmed milk powder and 25,000 tonnes of butter to India by 1990 to help finance the third and final phase of the country's Operation Flood programme of co-operative dairy development.

plus further supplies from Canada, to help improve the production and marketing of oilseeds in India through co-operatives.

The milk powder and butter provided by the EEC is used for two purposes. It goes to help finance the third and final phase of the country's Operation Flood programme of co-operative dairy development.



warehouses, 77 dairy plants, 17 cattle feed factories, 12 stud farms, one animal vaccine centre, and extensive veterinary services.

Its aim is to use money raised by selling food aid, plus the soft loans, to finance the development of India's milk production, harnessing the output of millions of cows and buffaloes owned in one, and two by individual families, as well as larger herds.

Dr Kurien says that if he does not receive the necessary milk powder from the EEC he will turn to the US, which is separately providing him with 127,000 tonnes of vegetable oil.

A total of 344,000 tonnes of skimmed milk powder and 118,000 tonnes of butter oil supplied by the EEC since 1970, first through the world food programme and then directly, earned Rs 3,620m (about \$290m at the present rate of exchange).

This financed the purchase of 875 road milk tankers, 148 rail tankers, 10 cold stores and

LONDON MARKETS

COCOA PRICES

COCOA PRICES rose quite strongly on the London futures market yesterday reflecting improving hopes that the current negotiating session in Geneva will result in agreement on an effective price-supporting international cocoa pact.

INDICES

REUTERS

Table with columns for Date, Index, and Change. Includes Dow Jones and other market indices.

MAIN PRICE CHANGES

Table showing price changes for various commodities like Metals, Oils, and Grains.

US MARKETS

CRUDE OIL

CRUDE OIL futures rose slightly due to a fall in both crude and gasoline stocks published by the API on Wednesday night despite news of increased output by Opec, namely Saudi Arabia, and lack of demand on the physical market.

ORANGE JNCB 15,000 lb. month

Table with columns for Month, Close, High, Low, and Prev. Includes Orange and Silver prices.

PLATINUM 50 Troy oz. 8/100 wt

Table with columns for Month, Close, High, Low, and Prev. Includes Platinum and Silver prices.

ALUMINIUM

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Aluminium prices.

COPPER

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Copper prices.

LEAD

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Lead prices.

NICKEL

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Nickel prices.

TIN

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Tin prices.

ZINC

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Zinc prices.

COCAOA

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Cocoa prices.

COFFEE

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Coffee prices.

COTTON

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Cotton prices.

SOYABEAN MEAL

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Soyabean Meal prices.

GRAINS

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Grains prices.

WHEAT

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Wheat prices.

SOYABEAN

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Soyabean prices.

GOLD

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Gold prices.

SILVER

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Silver prices.

MEAT

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Meat prices.

LIVE CATTLE

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Live Cattle prices.

LIVE CALVES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Live Calves prices.

MEAT COMMISSION

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Meat Commission prices.

CHICAGO

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Chicago prices.

LIVE CATTLE

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Live Cattle prices.

LIVE HOGS

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Live Hogs prices.

PORK BELLIES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Pork Bellies prices.

SOYABEAN

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Soyabean prices.

WHEAT

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Wheat prices.

CRUDE OIL

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Crude Oil prices.

HEATING OIL

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Heating Oil prices.

SPOT PRICES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Spot Prices.

FREIGHT FUTURES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Freight Futures prices.

POTATOES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Potatoes prices.

GAS OIL FUTURES

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Gas Oil Futures prices.

SUGAR

Table with columns for Month, Unofficial, +/- or, High/Low, and Prev. Includes Sugar prices.

SAFETY STANDARD FOR MATTRESSES

A STANDARD backed by legislation to make mattresses resistant to smouldering cigarettes, was announced yesterday by Mr Michael Howard, Consumer Minister.

PHYSICALS

PHYSICALS - The London market opened unchanged, attracted little interest throughout the day and closed in a similar mood.

REUTERS

Table with columns for Date, Index, and Change. Includes Reuters market indices.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar narrowly weaker

The dollar was down from Wednesday's closing levels yesterday but remained within its recent trading range. Once again attention focused on the timing of a possible cut in the US discount rate.

E IN NEW YORK

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POUND SPOT - FORWARD AGAINST POUND

Table with columns: July 10, Days, Close, One month, % Three months, % Six months. Lists exchange rates for various currencies like US, Canada, UK, etc.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table with columns: July 10, Days, Close, One month, % Three months, % Six months. Lists exchange rates for various currencies like UK, France, Germany, etc.

EXCHANGE CROSS-RATES

Table with columns: July 10, Currencies like US, UK, France, Germany, etc. showing cross-rates.

EURO-CURRENCY INTEREST RATES

Table with columns: July 10, short, 7 days, 1 month, 3 months, 6 months, 1 year. Lists interest rates for various currencies.

MONEY MARKETS

Lower pound underpins London rates

Sterling's weakness on the foreign exchange created a slightly nervous mood on the London money market yesterday, but the net result was to further set back the prospects of lower UK bank rates rather than put any significant upward pressure on the market.

Table with columns: Prime rate, 7 days, 1 month, 3 months, 6 months, 1 year. Lists interest rates for various currencies.

MONEY RATES

Table with columns: July 10, One month, Three months, Six months, One year. Lists interest rates for various currencies.

FINANCIAL FUTURES

Gilts weaker

Sterling denominated interest rate contracts weakened on the London International Financial Futures Exchange yesterday. Long term gilt futures for September delivery opened firmer at 123-14, underpinned by the strength of the US bond market overnight.

Table with columns: July 10, Days, Close, One month, % Three months, % Six months. Lists exchange rates for various currencies.

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FINANCIAL FUTURES

The D-Mark, put further downward pressure on the contract. It fell to a low of 121-31, and closed at 122-02, compared with 123-03 previously.

Table with columns: July 10, Days, Close, One month, % Three months, % Six months. Lists exchange rates for various currencies.

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Legal Notices

THE COMPANIES ACT 1985 HERVEY GUYMA, defendant to Section 686 of the Companies Act 1985, that a Meeting of the Creditors of the above-named Company will be held at 1, Broad Street, London, W1C 1JG on the 14th day of July 1986 at 3.00 in the afternoon, for the purposes mentioned in Section 686 and 270 of the said Act. Dated this 27th day of June, 1986. By Order of the Board E. DUNNET, Director

BEAT DJI BY 300%

\$1 Million has grown to over \$2 Million with Income & Profits. Invested after commission 1970-1985 without leverage or market timing. Advice on Undervalued Growth Stocks. Minimum Portfolio \$50,000. Write or call: Edwin Herzig & Company SA Avenue de Sion 10, Suite 1A CH-1000 Lausanne, Switzerland Tel: 441 25 00 71 Telex: 5601

Company Notices

NOTICE OF REDEMPTION KINGDOM OF DENMARK 61/2 1972-1987 Flux 800,000,000. Bondholders are hereby informed that the annual redemption instalment of Flux 800,000,000 due on August 14, 1986 has been elected by drawing by lot.

CITY FEDERAL SAVINGS AND LOAN ASSOCIATION HAS BECOME CITY FEDERAL SAVINGS BANK

Effective February 1, 1985, City Federal Savings and Loan Association of New Jersey (CFLSA) adopted a Federal Savings Bank Charter. CFLSA is now a public company and is listed on the New York Stock Exchange. CFLSA is a member of the Federal Home Loan Bank Board and is a member of the Federal Reserve System.

THE ROYAL BANK OF CANADA US\$350,000,000 Floating Rate Debentures due 2005

In accordance with the terms and conditions of the Debentures, the interest rate for the period July 14 1986 to August 14 1986 has been fixed at 6 1/2 per cent annum. On August 14 1986 interest of US\$5,979,958 per US\$1,000 nominal amount of the Debentures will be due for payment. The rate of interest for the period commencing August 14 1986 will be determined on August 14 1986.

NOTICE OF RATE OF BANQUE EXTERIEURE D'ALGERIE

US\$500,000,000 FLOATING RATE 3 1/2% LIBOR PLUS 100 BPS. In accordance with the terms and conditions of the Debentures, the interest rate for the period July 14 1986 to August 14 1986 has been fixed at 6 1/2 per cent annum. On August 14 1986 interest of US\$5,979,958 per US\$1,000 nominal amount of the Debentures will be due for payment. The rate of interest for the period commencing August 14 1986 will be determined on August 14 1986.

U.S. Not Available. (a) Wholesale rate. (b) U.S. dollars per National Currency unit. (c) Free-market central bank. (d) Free-market interbank. (e) Commercial rate. (f) Free-market. (g) Covered. (h) Financial rate. (i) Preferential rate. (j) Non-sterling rate. (k) Floating interest rate. (l) Public Transactions Rate. (m) Agricultural products. (n) Priority rate. (o) Venezuela for debts incurred prior to February 1983. (p) Saudi Arabia, 1 June 86. (q) Most favored by 2.07%. (r) Saudi Arabia, 27 June 86. Lease. For further information please contact your local branch of the Bank of America.

BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Price, Dividend, and Yield.

AMERICANS-Cont.

Table of American Stocks with columns for Name, Stock, Price, Dividend, and Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS-Cont.

Table of Building, Timber, and Roads stocks.

ENGINEERING-Continued

Table of Engineering stocks.

INDUSTRIALS-Continued

Table of Industrial stocks.

Over Fifteen Years

Table of funds with over 15 years of history.

Over Twenty Years

Table of funds with over 20 years of history.

Undated

Table of undated funds.

Index-Linked

Table of index-linked funds.

DRAPERY & STORES-Cont.

Table of Drapery and Stores stocks.

ELECTRICALS

Table of Electrical stocks.

CANADIANS

Table of Canadian stocks.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and other stocks.

INT. BANK AND OSEAS

Table of International Bank and Overseas stocks.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans.

LOANS

Table of various Loans.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails.

AMERICANS

Table of American stocks.

DRAPERY AND STORES

Table of Drapery and Stores stocks.

NOTELS AND CATERERS

Table of Hotels and Caterers stocks.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks.

ENGINEERING

Table of Engineering stocks.

INDUSTRIALS (Miscell.)

Table of Industrial stocks (Miscellaneous).

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LONDON STOCK EXCHANGE

Leading shares extend recovery from Tuesday's low points

Account Dealing Dates... \*First Declared Last Account Dealings from Dealings Day June 30 July 10 July 21 July 24 July 25 Aug 4 July 28 Aug 7 Aug 8 Aug 18... Confidence continued to rebuild in London yesterday and at the end of another good market session...

FINANCIAL TIMES STOCK INDICES. Table with columns for July 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1986, and Stock Completion. Includes sub-tables for S.E. ACTIVITY and LONDON REPORT AND LATEST SHARE INDEX.

Rates Industries added 4 to 82p but subsequently drifted back to close 4 higher on balance at 208p. Plessey, enlivened by the chairman's statement at the annual meeting, closed 4 better at 228p... Raters wanted. Raters, which recently gained control of high street rival R. Samuel, advanced 7 to 198p...

rights issue to partly finance the deal. Esorton Trust were finally 4 up at 114p, after 108p, following the interim results and news of a proposed rights issue and placing of convertible preference shares... Textiles made progress across a broad front. A flurry of takeover chatter lifted R. Jerome 19 to 88p...

EUROPEAN OPTIONS EXCHANGE. Table with columns for Series, Vol, Last, Bid, Ask, and Price. Includes sub-tables for Traded Options and YESTERDAY'S ACTIVE STOCKS.

TRADITIONAL OPTIONS. Table with columns for Deal, Last, Declared, Settlement, and Price. Includes sub-tables for YESTERDAY'S ACTIVE STOCKS and WEDNESDAY'S ACTIVE STOCKS.

FT-ACTUARIES SHARE INDICES. These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Thursday July 10 1986, and various indices. Includes sub-tables for FIXED INTEREST and AVERAGE GROSS REDEMPTION YIELDS.

NEW HIGHS AND LOWS FOR 1986

Table listing NEW HIGHS AND LOWS FOR 1986 with columns for Company Name, High, and Low.

BASE LENDING RATES

Table listing BASE LENDING RATES for various banks and financial institutions.

LONDON TRADED OPTIONS

Table listing LONDON TRADED OPTIONS with columns for Option, Calls, and Puts.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Canada, Denmark, Italy, France, Netherlands, and Switzerland. Columns include country, date, price, and change.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Columns include stock name, price, and change.

INDICES

Table of various stock indices including New York, London, and others. Columns include index name, date, and value.

OVER-THE-COUNTER

Table of over-the-counter stock prices for various companies. Columns include stock name, price, and change.

NEW YORK

Table of New York stock market activity including volume, high, low, and close prices.

INDICES

Table of various stock indices including New York, London, and others. Columns include index name, date, and value.

CONTINUED FROM PAGE 38

Table of stock prices for various companies, including NYSE-Consolidated 1500 Actives.

NEW YORK

Table of New York stock market activity including volume, high, low, and close prices.

CONTINUED FROM PAGE 38

Table of stock prices for various companies, including NYSE-Consolidated 1500 Actives.

NEW YORK

Table of New York stock market activity including volume, high, low, and close prices.

LONDON

Table of London stock market activity including volume, high, low, and close prices.

SINGAPORE

SPORADIC BUYING alternated with some profit-taking in quiet Singapore activity...

AUSTRALIA

INVESTORS turned bullish in Sydney where prices closed higher in this trading...

COPENHAGEN/GOTHENBURG/MALMO/OSLO/STAVANGAR/STOCKHOLM/SCANDINAVIA

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CANADA

AN EARLY ADVANCE in step with Wall Street saw Toronto later turn mixed in active trading.

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, July 10

Main table containing stock prices, volume, and market indices. Includes columns for 12 Month High/Low, Stock Name, Price, Volume, and various market statistics.

Continued from Page 36

NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Prices at 3pm, July 10

Table of NYSE Composite Prices with columns for Stock, High, Low, and Change. Includes sub-sections for Continued on Page 37 and various stock listings.

Table of AMEX Composite Prices with columns for Stock, High, Low, and Change. Includes sub-sections for Action, Bond, and various stock listings.

Table of NYSE Composite Prices (continued) with columns for Stock, High, Low, and Change. Includes sub-sections for NYSE, NYSE, and various stock listings.

Table of AMEX Composite Prices (continued) with columns for Stock, High, Low, and Change. Includes sub-sections for OVER-THE-COUNTER, Nasdaq national market, and various stock listings.

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Table of AMEX Composite Prices (continued) with columns for Stock, High, Low, and Change. Includes sub-sections for NYSE, NYSE, and various stock listings.

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Early rally overcome by nerves

A SUSPICION that the sharp technical correction suffered earlier this week had not yet run its course reversed an early rally on Wall Street yesterday, writes Paul Hannon in New York.

over the besieged Sanders Associates defence group, which jumped 5 1/4% to \$61 in heavy trading. Loral, an unsuccessful suitor of Sanders, firmed 2 1/2% to \$46.

makers' decision to spin off its medical electronics unit. Abbott Laboratories, active in recent sessions, slipped 1 1/2% to \$50 on improved second-quarter figures.

EUROPE Foreigners seek out bargains

FOREIGN BUYERS were the most significant factor in the major European bourses yesterday, seeking out low-priced issues across the board.

TOKYO High volume fails to halt downturn

DESPITE UNUSUALLY active trading in low-priced, large-capital issues, prices slipped further in Tokyo yesterday as if the market as a whole had entered a "corrective phase," writes Shigeo Nishizaki of Jiji Press.

year loan stock, priced at 99.75 from which it hopes to raise DM 4bn, found the going difficult and was quoted at an initial bid price less 1 1/4% and offer less 1/2%.

Swissair bounced back after falling on Wednesday to end up Sfr 100 at Sfr 1,420. UBS was steady at Sfr 5,730 and Zurich Re slipped Sfr 50 to Sfr 7,400.

Brussels was dull, with most prices remaining at their previous day's levels, and activity slowed ahead of a holiday in Flanders today.

LONDON Confidence rebuilding continues

LITTLE TRACE of Tuesday's uncertain tone remained in London yesterday as confidence continued to increase. The FTSE 100 share index closed 12.1 up at 1,828.7 to regain most of its recent points-fall of 32 on Tuesday.

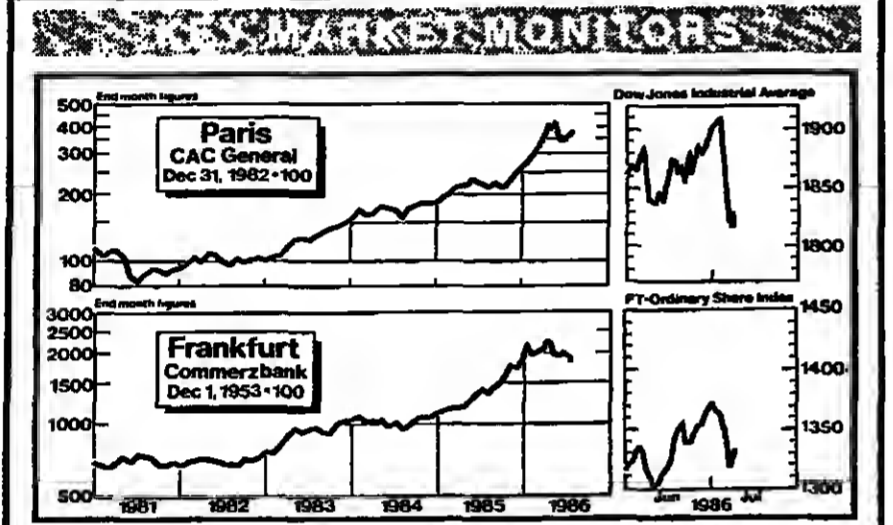


Table with columns: STOCK MARKET INDICES, NEW YORK, LONDON, TOKYO, AUSTRALIA, ALBERTA, BELGIUM, CANADA, DENMARK, FRANCE, WEST GERMANY, HONG KONG, ITALY, NETHERLANDS, NORWAY, SINGAPORE, SOUTH AFRICA, SPAIN, SWEDEN, SWITZERLAND, WORLD.

Table with columns: CURRENCIES, US DOLLAR, STERLING, Yen, DM, Sfr, Guilder, Lira, Bfr, CS.

Table with columns: INTEREST RATES, Euro-currencies, FT London Interbank, US Fed Funds, US 3-month CDs, US 3-month T-bills.

Table with columns: US BONDS, Treasury, Corporate, AT & T, 3% July 1990, SOFT South Central, 10% Jan 1993, Philbro-Sal, 8 April 1986, TRW, 8% March 1986, Arco, 9% March 2016, General Motors, 8% April 2016, Citicorp, 9% March 2018.

Table with columns: FINANCIAL FUTURES, CHICAGO, US Treasury Bonds (CBT), 8% 32nds of 100%, Sept, 99-14 100-14, 99-05 99-26, \$1m points of 100%, Sept, 94.38 94.44, 94.36 94.40, Certificate of Deposit (90%), \$1m points of 100%, Sept, n/a n/a, n/a n/a, 93.90.

Table with columns: LONDON, Three-month Eurodollar, \$1m points of 100%, Sept, 93.53 93.56, 93.47 93.50, 20-year National Gas, £50,000 32nds of 100%, Sept, 122-02 123-19, 121-31 123-03.

Table with columns: COMMODITIES, (London), July 10, Prev, Silver (spot fixing), 332.30p, 334.30p, Copper (cash), £884.50, £673.75, Coffee (September), £1,678.00, £1,630.00, Oil (Brent blend), \$9.70, \$9.60.

Table with columns: GOLD (per ounce), July 10, Prev, London, \$347.25, \$347.75, Zurich, \$346.90, \$348.25, Paris (fixing), \$348.21, \$348.99, Luxembourg, \$348.25, \$351.00, New York (Aug), \$348.60, \$349.70.

"If our nascent and fragile democratic institutions are denied a strong economic underpinning they will certainly give way to tyranny." - G. W. H. Rely

Abridgement of the annual statement by Mr G. W. H. Rely, Chairman of Anglo American Corporation of South Africa Limited. Attributable earnings of the Corporation, excluding retained earnings of associated companies, increased by 35 per cent to R313 million, or 356 cents a share. In the year to March 31 1986, Equity-accounted earnings increased similarly to R119 million, or 523 cents a share.

Continued on Page 35

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